Nursing Facility Value-Based Purchasing

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Joint Subcommittee for Health and Human Resources Oversight

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Agenda

- DMAS Role in Supporting Nursing Facility Quality
- Origin and Progression of Virginia Medicaid NF Value Based Purchasing (VBP)
- Virginia's Nursing Facility VBP: How It Works
- Virginia's NF VBP Performance in a National Context
- Other Programs and Initiatives

DMAS Role in Supporting NF Quality

- DMAS framework for ensuring quality
  - Quality Assurance
    - Provider enrollment/credentialing (DMAS and MCOs)
    - Billing/reimbursement standards
  - Quality Incentives: Nursing Facility Value-Based Purchasing program
  - Quality Improvement: Nursing Facility Quality Improvement program

VDH and DMAS Have Distinct Roles

VDH	DMAS
VDH conducts federal surveys to certify if a provider is in compliance with Medicare and/or Medicaid regulations, per agreement under Section 1864 of the Social Security Act. Facilities out of compliance may be financially penalized by CMS.	DMAS, as the state Medicaid agency, is responsible for enrolling providers in Medicaid.
VDH also conducts state inspections for state licensing of nursing facilities.	DMAS and its MCOs are responsible for ensuring the quality and integrity of the Medicaid program; reimbursing for the defined amount, duration, and scope of nursing facility services; and monitoring and preventing fraud, waste, and abuse.
If ownership of a NF changes, the new owner needs to obtain a new license through submission of an application to VDH.	In Virginia, DMAS administers the reinvestment of penalty funds from inspections conducted by VDH.

Virginia Medicaid Nursing Home Facts

DATA SUMMARY

Who do we serve?

~17K Virginia Medicaid members are in NFs.
These members are primarily served in ~290 NFs across VA.

Top Resource Utilization Group (RUG) for members from claims are mostly related to Rehab and Reduced Physical function (RAC, RAD, RAB, PC1, RAA)

Top RUG Case Mix group reported for State Medicaid in MDS assessments are Reduced physical function, Behavioral and Clinically complex. (PB1, BA1, CC1, CC2, CA2)

Average Number of Residents per Day in VA is 96.6 compared to national average of 81.6
78% Percentage of short stay residents who made improvements in function & 22% were re-hospitalized after a nursing home admission

Current State

Who are the providers?

There are 290 NFs providing services to Medicaid and Medicare members across VA. One third of NFs are across 10 major cities

~50% of NFs with 1- or 2-star rating
73% of the NFs with a star rating of 1 and 2 have # certified beds of 100 to 200

~32% of NFs with 3-star & 4-star rating
70% NFs with a star rating of 3 and 4 have # certified beds of 50 to 150

~18% NFs with 5 Star rating
90% of the NFs with # certified beds of 50 or less have a star rating of 4 or 5

Nursing Facility Reimbursement

- NF Reimbursement is comprised of a base rate plus value-based payments.

FY25	
Base	$1,993,184,816
VBP	$184,192,587

- Base rates and VBP have increased by $842 million since 2020
  - Inflation adjustment annually
  - Rebasing in 2024
  - GA approved $40 million increase in VBP funding effective in FY25

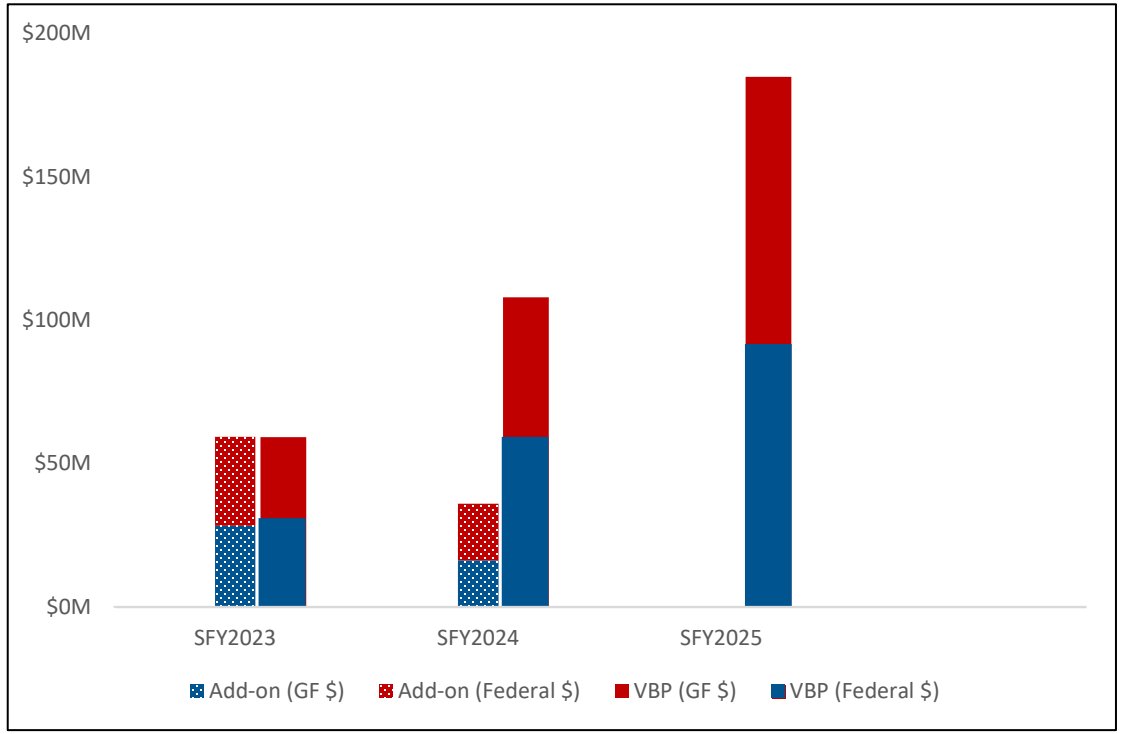
- In the current biennial budget, nursing homes received $163 million in increased payments.

The General Assembly Directed DMAS to Establish a NF Value Based Payment Program

- Item 288 QQQ.2 of the 2021 Appropriation Act
- Directs DMAS to work with NF and MCO stakeholders to develop and implement a unified VBP program.
  - Directs that performance evaluation shall prioritize maintenance of adequate staffing levels and avoidance of negative care events such as hospital admissions and ED visits.
  - The program may also consider performance evaluation in the areas of preventive care, utilization of HCBS/community transitions, and other relevant domains of care.
- Allocates funding for the VBP program.
- 2025 Appropriation Act directs DMAS to work with stakeholders to develop recommendations on modifying the timing and structure of the VBP programs payment methodology.

Origins of the Nursing Facility Value-Based Payment Program

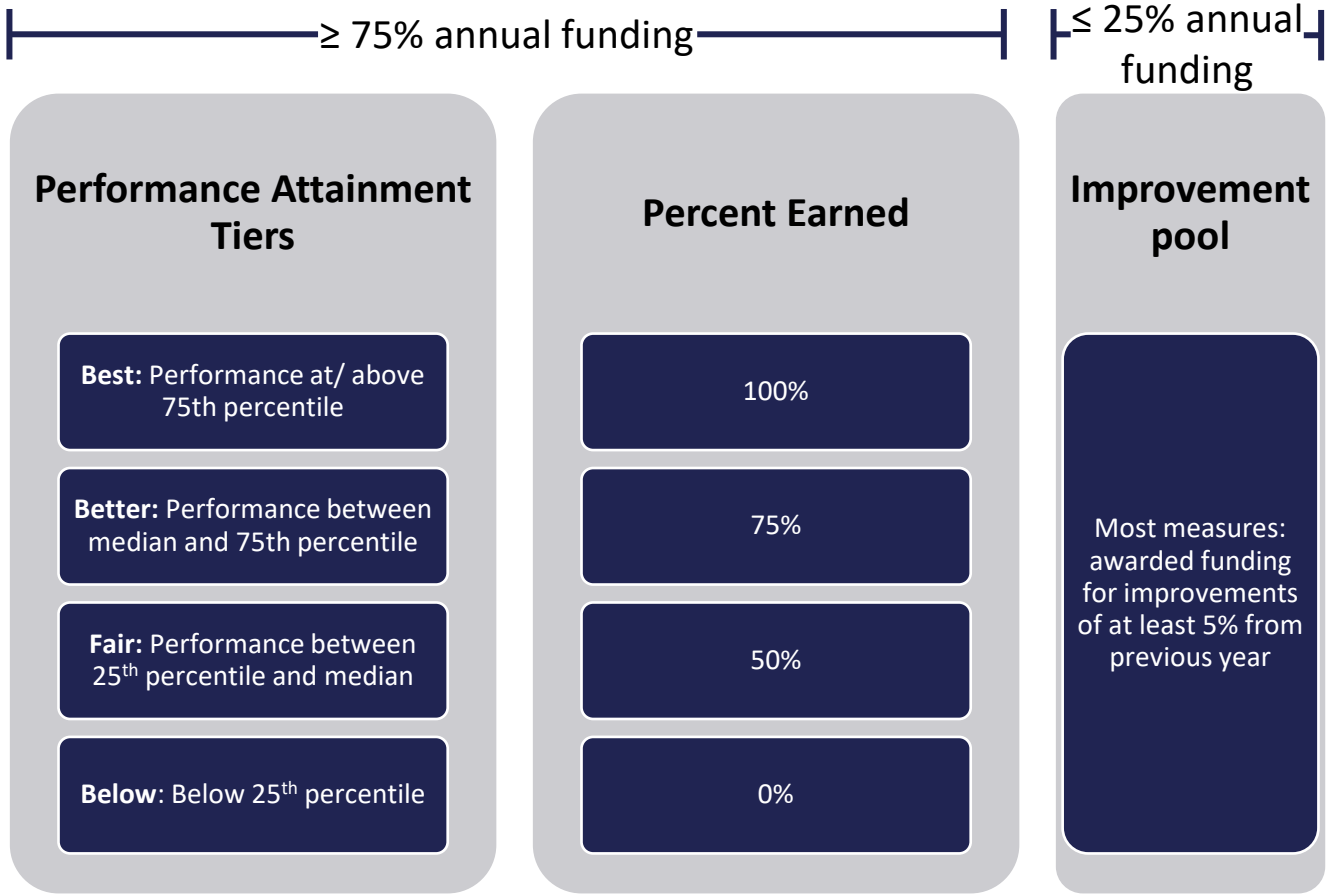
- The NF VBP program is an evolution of enhanced funding for NFs:
  - SFY21: $20 add-on payment per-resident, per-day to assist during COVID-19 crisis
  - SFY22: $15 add-on payment per-resident, per-day to assist during COVID-19 crisis
  - SFY23–SFY24: Add-on payment funding reduced/phased out, value-based performance funding introduced/increased
  - SFY25 onward: enhanced funding 100% based on VBP performance criteria
- SFY26 NF VBP performance-based funding is $185M



How Nursing Facility Value-Based Payments Work – Program Performance Measures

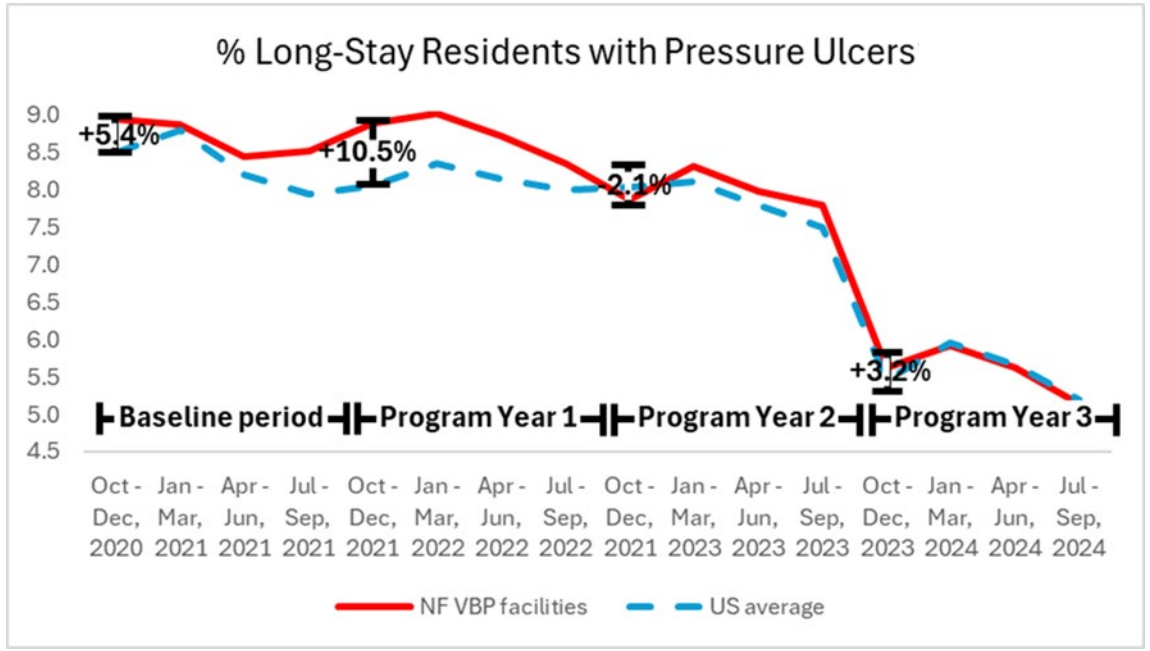
Domain	Measure	Description	Weight
Staffing 	**Minimum RN Staffing**	Meet 8 Hours/Day of RN care	20%
	Composite Nurse Staffing	Registered Nurse + Licensed Practical Nurse + Certified Nurse Assistant staffing time, case mix adjusted	20%
Quality (avoidance of events) 	**Hospitalizations**	Number of hospitalizations per 1,000 long-stay resident days	15%
	Emergency Department (ED) Visits	Number of outpatient ED visits per 1,000 long-stay resident days.	15%
	Pressure Ulcers	Percentage of high-risk long-stay residents with pressure ulcers	15%
	Urinary Tract Infections	Percentage of long-stay residents with a urinary tract infection within the past 30 days	15%

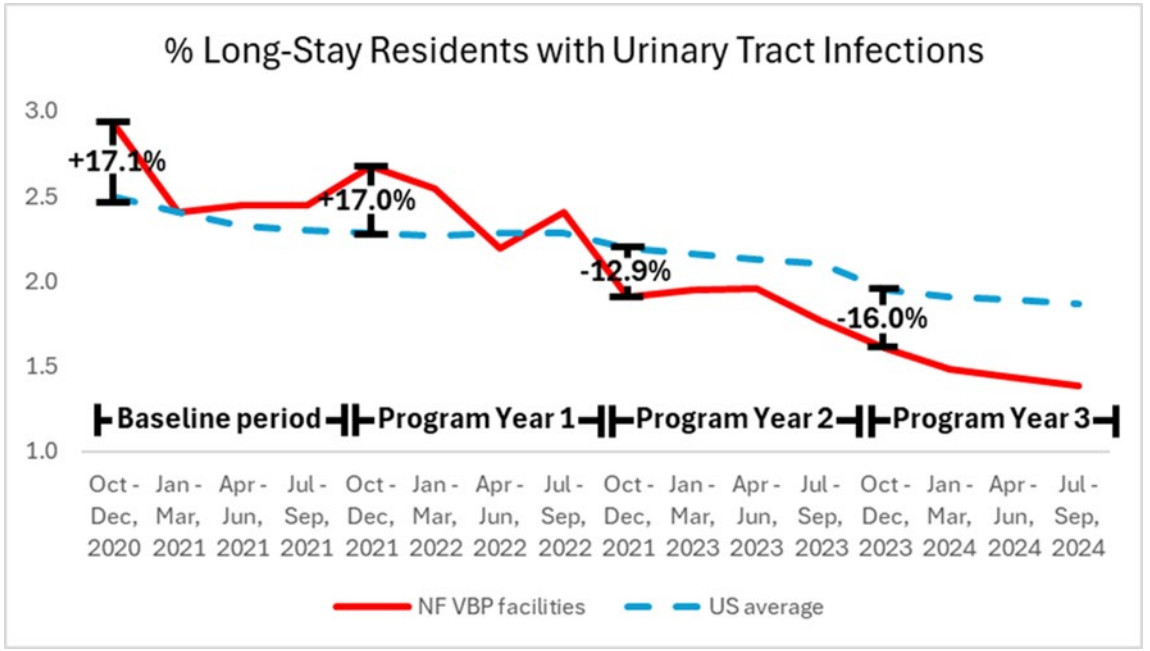
How Nursing Facility Value-Based Payments Work – Performance Attainment and Improvement Avenues



Nursing Facility Performance: Quality Measures (1)

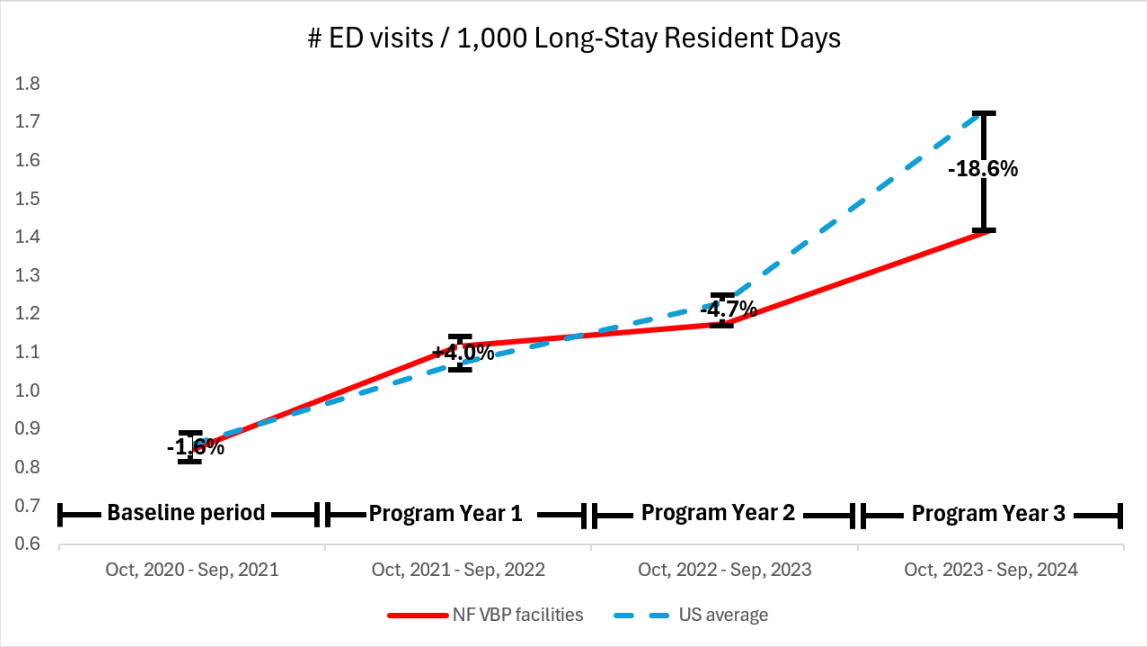
Virginia NF VBP facilities performance on Pressure Ulcers is similar to the national average.
Virginia's performance on Urinary Tract Infections is better than the national average.

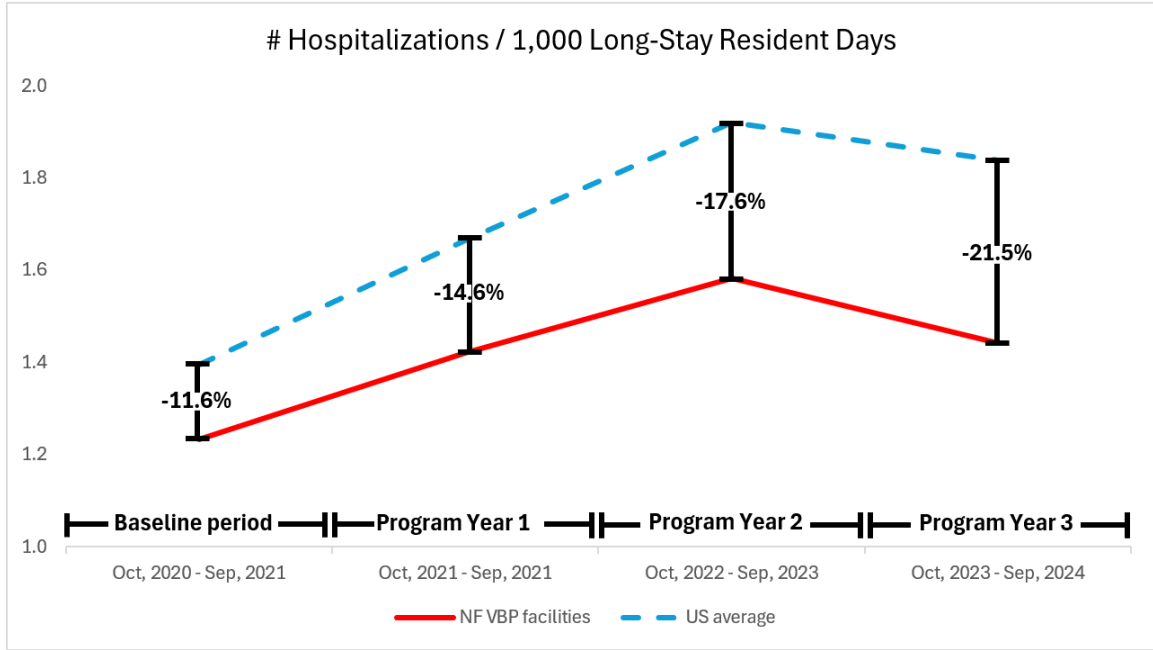




Virginia Compared to Other States: Quality Measures (2)

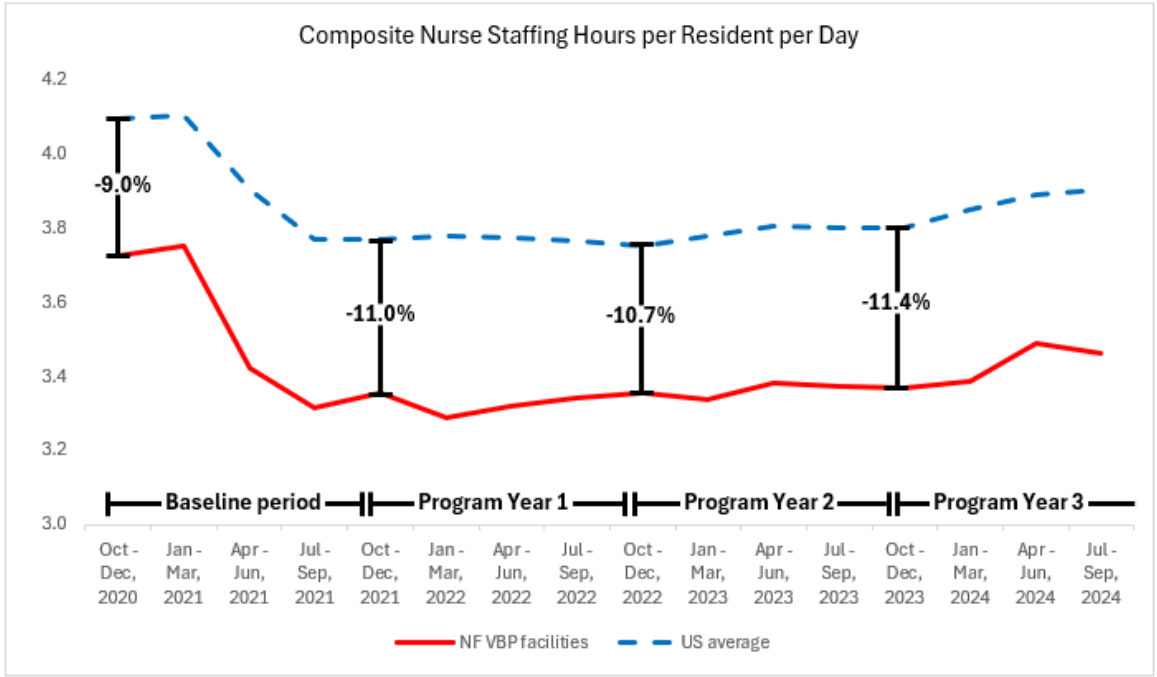
Virginia NF VBP facilities have performed better than the national averages for both measures.

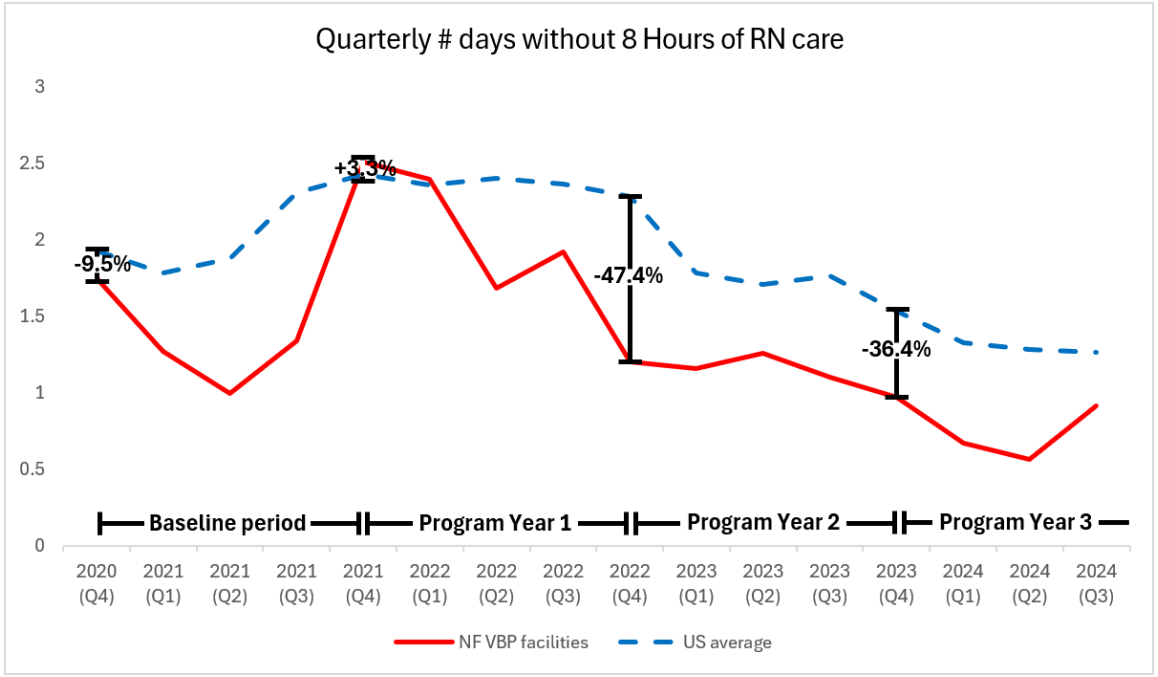




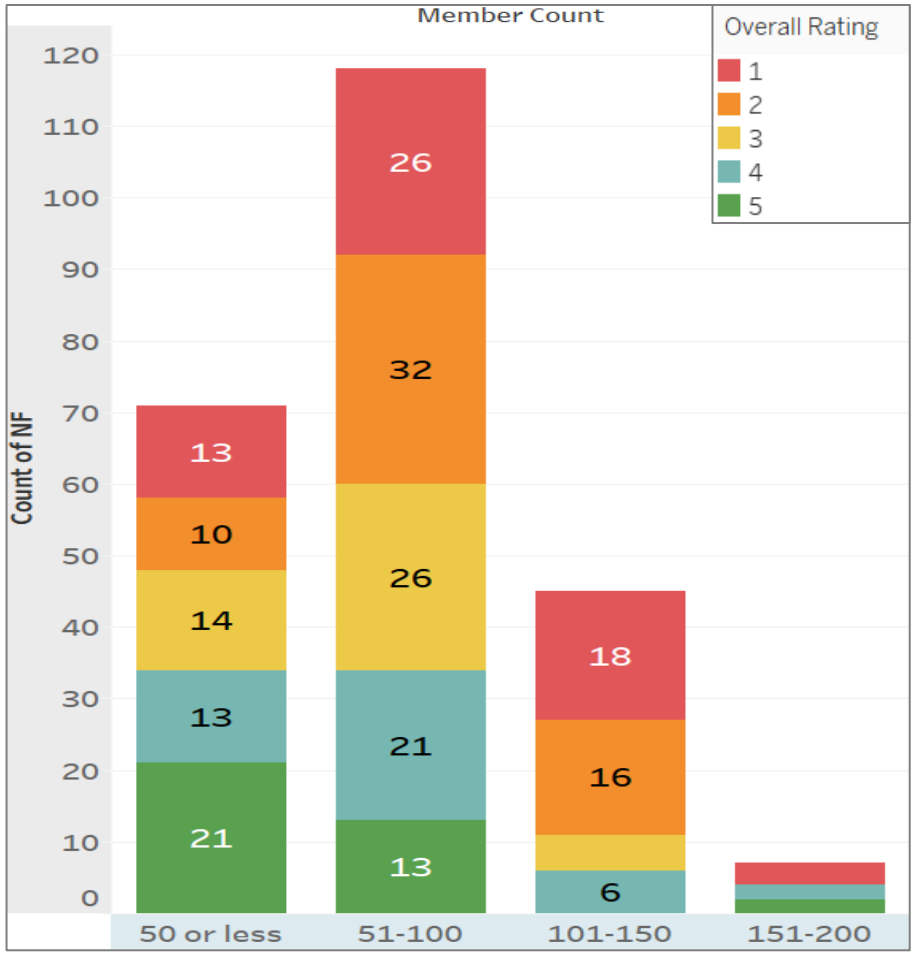
Virginia Compared to Other States: Staffing Measures

Virginia NF VBP facilities have performed below the national average on total nurse staffing; however, RN staffing performance has consistently been above average since late 2021.





Nursing Facilities in VBP Program by Star Rating and Medicaid Member Count



- 67% of the nursing facilities participating in VBP have Medicaid member count between 50 to 150 Medicaid members
- Over 56% of these Nursing Facilities with 50 to 150 Medicaid members have a star rating of 1 or 2 – which is consistent with the general trend that facilities with a higher proportion of Medicaid residents may face challenges that can affect their star ratings.
- A study published by the National Institutes of Health (NIH) found that nursing facilities with a high percentage of Medicaid residents had significantly lower odds of being in the top 20% of SNF-VBP performance rankings.

Please note that due to change in ownership , we were not able to map NPIs of a few NFs in VBP with the Federal CCN number. This is an operational process which will the team is trying to enhance

Where We're Going

- Modify how DMAS makes attainment payments to nursing facilities that decline in performance (SFY26)
- Modify program measures to recognize program-wide improvements in performance and introduce new areas requiring improvement (SFY27)
- Use improved data from licensure and certification oversight to strengthen program eligibility requirements (SFY27 and beyond)

Nursing Facility Quality Improvement Program (NFQIP)

In 2022 budget item **308 Q.1.4** directed DMAS to create and administer a Nursing Facility Quality Improvement program with Civil Money Penalty (CMP) reinvestment funds.

DMAS partnering with VCU Gerontology to provide trainings, conferences, technical assistance, and other supports to NFs.

The first of these resources launched August 13, 2025, as a live workshop open to all nursing facilities in the Commonwealth.

DMAS and VCU conducting outreach through targeted email blasts, social media, and affiliated networks such as the Long-Term Care Clinicians Network and the NF Associations.

https://tictoolkit.vcu.edu/learning-center/dementia-care / https://www.dmas.virginia.gov/for-providers/benefits-services-for-providers/long-term-care/programs-and-initiatives/nursing-facility-quality-improvement-program-nfqip/

Program monitoring includes tracking NF participation and engagement, and evaluating change in knowledge, competence, and confidence of participants.

CardinalCare
Virginia's Medicaid Program

NFQIP Training Topics

Current

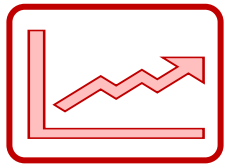
Deepening Your Person-Centered, Dementia Care Practice: A Learning and Relearning Journey

- 12 Virtual workshops over 3 years. Live "Huddle Up" session one month after each workshop.

Upcoming

Person-Centered Trauma-Informed Care Training Series

- 15 self-paced training courses bundled into 3 badge levels.
- Anticipated start September 2025



Staff Training on Value Based Purchasing Quality Metrics

- In development. Will support NF attainment and improvement in Virginia VBP PMs.
- Anticipated start October 2025

Agreement with VCU for at least 2 more NFQIP project applications

- Anticipated start dates: Jan 2026 and June 2026

Other NF Programs and Initiatives

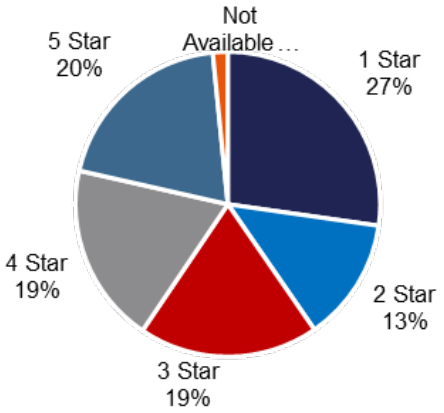
Civil Money Penalty Reinvestment Program

- CMPRP reinvests penalties assessed on noncompliant nursing facilities back into facilities through Projects that directly improve the quality of life and care of residents
- Virginia's Department of Medical Assistance Services (DMAS) oversees the Virginia program, and CMS makes the final funding determination
- FY25- 16 Projects. 43% NFs in Virginia participated (n=124)

Internal NF Workgroup

- Exploring and recommending potential policy and program ideas
  - Personal needs allowance increase
  - National Core Indicators Survey for NF residents for member experience data.
  - Conducting Quality Service Reviews
  - More frequent exchange of MDS data from VDH including Section Q data.

Star Rating Breakdown of NFs Participating in CMPRP Projects in FY25



Total CMPRP Impact FY19 – FY25

$7.7 Million reinvested

33 Unique Projects

Over 75% of NFs have participated