



## **The Medicare Post-Acute Care Value-Based Purchasing Act of 2015**

### **Section-by-Section**

#### **Section 1. Short Title**

#### **Section 2. Repeal of Market Basket Cuts for Post-Acute Providers**

Section 411 of the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) included a market basket cut for home health agencies (HHA), skilled nursing facilities (SNF), inpatient rehabilitation facilities (IRF), long-term care hospitals (LTCH) and hospice agencies. MACRA prohibits the market basket to exceed 1 percent in fiscal/calendar 2018. Section two of the bill repeals the cut for HHA, SNF, IRF and LTCH.

#### **Section 3. Post-Acute Care Value Based Purchasing Program**

This section would establish a new Post-Acute Care Value-Based Purchasing (PAC VBP) Program. The program would begin on October 1, 2019. The program would apply to all HHA, SNF, IRF and LTCH providers. The program would use one quality measure, the Medicare Spending per Beneficiary (MSPB) measure that was included in the Improving Medicare Post-Acute Care Transformation (IMPACT) Act of 2014.

The Secretary would be required to establish a performance standard for each provider type for the MSPB measure. The Secretary would award a point value to each provider based on the higher of improvement or achievement in any given year. The Secretary would be required to develop a methodology to assign points for the measure for both the provider's individual performance and the performance of the Hospital Service Area (HSA) in which the provider is located. The provider's individual score would account for 55 percent of the total and the HSA score would account for 45 percent of the total. The Secretary would be required to rank all providers and use that ranking to determine the amount of incentive payment each provider would receive.

The Secretary would calculate incentive payments on an annual basis and each year would be calculated without regard to the previous year's performance. Incentive payments would be funded through an incentive pool. The incentive pool would consist of two components: 1) money to be paid to high performers; and 2) money to be retained for savings. Approximately, half of the funds in the incentive pool would be used for each component. In order to fund the pool, the Secretary would reduce annual payments

by 3 percent in fiscal year 2019 and increase the pool by one percentage point each year until the pool reaches 8 percent in fiscal year 2025.

The Secretary would be required to give providers 90 days notice before the annual payment adjustment is made. The Secretary would be required to make the range of scores and amount of bonus or penalty made to each provider public.

**Section 4. Sunsetting of Skilled Nursing Facility Value-Based Purchasing Program**

Section 215 of the Protecting Access to Medicare (PAMA) Act of 2014 established a Skilled Nursing Facility Value-Based Purchasing Program (SNF VBP). Section four of the bill would sunset the SNF VBP program beginning in fiscal year 2026.