



**Virginia Department of Medical Assistance
Services:**

**REVISED/UPDATED SFY 2026 Nursing Facility
Value-Based Purchasing Methodology**

January 7, 2026

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SFY 2026 NF VBP Program Methodology

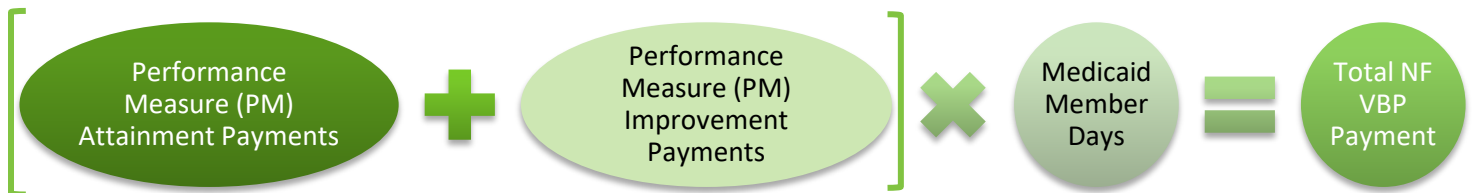
Executive Summary

In 2021, the Virginia General Assembly directed the Department of Medical Assistance Services (DMAS) to establish a nursing facility (NF) Value-Based Purchasing (VBP) program designed to improve the quality of care furnished to Medicaid members. This document details updates as of January 7, 2026 for the NF VBP program methodology for State Fiscal Year (SFY) 2026.

Program Components

In SFY 2026, payments made under the NF VBP program will consist of three parts shown in Exhibit 1.

Exhibit 1. The Components of the Total NF VBP Payment



The size of Performance Measure (PM) payments under the program are contingent on NF performance across six measures addressing staffing and avoidance of negative care events. All payments are adjusted to account for the volume of Medicaid member days at a given NF. PM payments for each measure for SFY 2026 are provided in Table 1, below.

Table 1. NF VBP SFY 2026 Program Components and Measures

NF VBP Program Components	PM Weight	SFY 2026 Funding
Days without 8 Minimum RN hours	20%	\$37.0 M
Total nursing hours per resident day (RN + LPN + nurse aide hours)	20%	\$37.0 M
Number of hospitalizations per 1,000 long-stay resident days	15%	\$27.7 M
Number of outpatient ED visits per 1,000 long-stay resident days	15%	\$27.7 M
Percentage of long-stay residents with pressure ulcers	15%	\$27.7 M
Percentage of long-stay residents with a UTI	15%	\$27.7 M
Performance (Attainment and Improvement)	100%	\$185 M

Performance Measure Tiers

NFs can earn funds through both attainment on individual measures and improvement over prior years. For the attainment portion of PM payments, NFs earn funds through performance that falls into one of three categories: Fair, Better, and Best. If the NF falls below the minimum thresholds of the Fair category, it will not receive any attainment funds for a particular measure. Table 2 illustrates the performance and improvement thresholds associated with each measure.

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Table 2. NF VBP SFY 2026 PM Attainment and Improvement Thresholds

PM Tiers	Fair Thresholds	Better Thresholds	Best Thresholds	Improvement Thresholds
Days without 8 Minimum RN Hours	13.00 – 16.00	5.00 – 12.00	0.00 – 4.00	≥5%; up to the Best tier*
Total Nurse Staffing Hours per resident day (RN, LPN, CNA) – case-mix adjusted	2.93 – 3.26	3.27 – 3.64	3.65 +	≥0.5%; up to the Best tier*
Number of hospitalizations per 1,000 long-stay resident days	1.57 – 1.91	1.20 – 1.56	0 – 1.19	≥5%
Number of outpatient ED visits per 1,000 long-stay resident days	1.06 – 1.50	0.71 – 1.05	0 – 0.70	≥5%
Percentage of long-stay residents with pressure ulcers**	5.23 - 7.63	3.45 - 5.22	0 - 3.44	≥5%
Percentage of long-stay Resident with a Urinary Tract Infection (UTI)	2.39– 4.36	1.31 – 2.38	0 – 1.30	≥5%

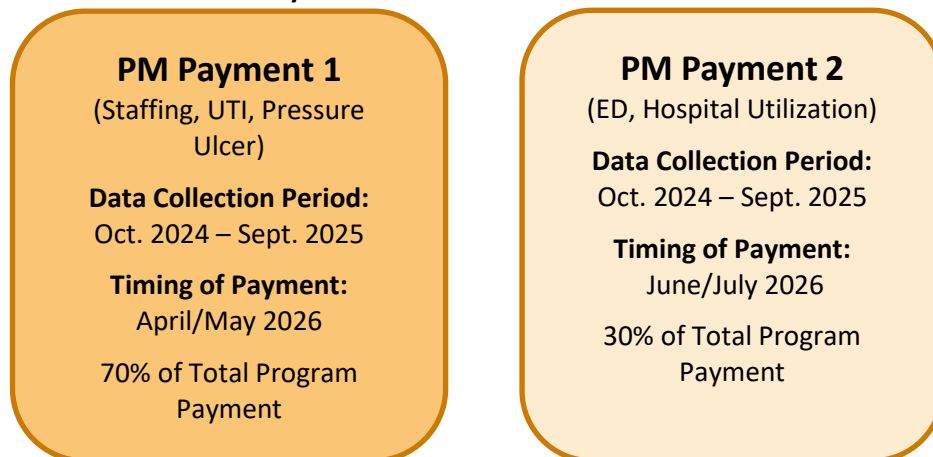
*NF can earn improvement when they move into a higher tier than previously held.

** See Performance Measure Tiers & Payment Calculation section for additional detail on this measure's thresholds

Payment Timing and Structure

Due to regulatory, budget, and data availability constraints associated with the program, DMAS will distribute NF VBP payments in lump sums at two different points throughout the year as shown in Exhibit 2.

Exhibit 2. Payment Timeline for the PM Payments



Project Overview

In 2021, the Virginia General Assembly directed DMAS to establish a NF VBP program. This program seeks to improve the quality and outcomes of care furnished to Medicaid members by enhancing performance accountability in the areas of staffing and avoidance of negative care events. To achieve this goal, the Budget is projected to provide approximately

\$185 million in year 4 of the program in enhanced funding for facilities that meet or exceed designated performance and improvement thresholds associated with the provision of high-quality care to Medicaid members.¹

This document provides the NF VBP program methodology for SFY 2026 (July 1, 2025 – June 30, 2026), which makes program payments based on performance during Federal Fiscal Year (FFY) 2025 (October 2024 – September 2025). SFY 2026 is the fourth year of the NF VBP program. The designated performance funding will be distributed based on NF performance on specified criteria.

Stakeholder Engagement

Initially, DMAS convened a wide range of NF stakeholders to consult on development of the NF VBP model. This group consisted of NF executives, NF association representatives, Aging Services representatives, Medicaid MCOs and MCO association representatives, hospital association representatives, member advocacy via the State Long-Term Care Ombudsman, Virginia’s Quality Improvement Organization (QIO), and the Virginia Veterans Administration. In addition, DMAS identified participants for ad hoc subgroups specifically devoted to financial and performance measurement expertise to be consulted as needed. DMAS continues to convene this group to review updates to the program based on performance each year.

Due to a significant change by the Centers for Medicare & Medicaid Services (CMS) to an underlying data source (the Minimum Data Set) affecting two performance measures², DMAS reconvened members from the original ad hoc subgroup for two of the PMs in the fall of 2024 to provide additional input into the SFY 2026 methodology.

Program Eligibility

Nursing Facilities eligible for NF VBP program payments encompass NFs participating in Medicaid managed care; NFs that do not participate in managed care but previously received enhanced per diem payments as part of COVID-19 response support and assistance; and NFs not currently under a cost settlement structure. NFs shall be defined as Provider Types 010 (Skilled Nursing Home) or 015 (Intermediate Care Nursing Home).

Performance Measures

To prioritize simplicity and reduce administrative burden, DMAS selected PMs that are already standard reporting for Virginia NFs through the CMS Minimum Data Set (MDS), Nursing Home (NH) Care Compare claims-based quality measures and Payroll Based Journal (PBJ) NF staffing measures. Utilizing these established measure sources allows Virginia NFs to participate in the NF VBP program without additional reporting requirements.

For SFY 2026, the program will continue to use the same six measures as selected in prior years. Details on performance measures are provided in Table 3, below.

Table 3. SFY 2026 Nursing Facility VBP Performance Measures

Performance Measure	Description	Domain	NF VBP Performance Weight
Days without 8 Minimum RN hours³	Facility reported RN staffing hours each day within a quarter.	Staffing	20%
Total nursing hours per resident day (RN + LPN + nurse aide hours) – case-mix adjusted⁴	Total nurse staffing hours per resident day within a quarter, adjusted for case-mix.	Staffing	20%

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Performance Measure	Description	Domain	NF VBP Performance Weight
Number of Hospitalizations per 1,000 Long-Stay Resident Days^{5,6}	Number of unplanned inpatient admissions or outpatient observation stays that occurred during a one-year period among long-stay residents.	Avoidance of Negative Care Events	15%
Number of Outpatient Emergency Department Visits per 1,000 Long-Stay Resident Days⁶	Number of all-cause outpatient ED visits occurring in a one-year period while the individual is a long-term NH resident.	Avoidance of Negative Care Events	15%
Percentage of Residents with Pressure Ulcers⁶	Percentage of long-stay, residents with Stage II-IV or unstageable pressure ulcers.	Avoidance of Negative Care Events	15%
Percentage of long-stay Residents with a Urinary Tract Infection (UTI)⁶	Percentage of long-stay residents who have had a UTI within the past 30 days.	Avoidance of Negative Care Events	15%

Data Collection

A combination of existing data sources currently used by CMS' Nursing Home Care Compare Five-Star Quality Rating will be used to evaluate performance on the NF VBP PMs. These data sources include CMS' nursing home provider information, nursing home claims-based quality measures, nursing home MDS based quality measures, and PBJ staffing data. Utilizing these data sources does not require additional reporting, data collection, or submission on the part of participating NFs. The chosen measures, data collection, and reporting are managed by CMS and therefore the methodology for calculation and collection may change at CMS' discretion. The NF VBP program will evaluate eligible facilities' performance based on the applicable methodology for PMs based on available data.

Calculating Resident Days

For all NFs participating in Medicaid managed care, resident days for each facility will be based on their eligible Medicaid days using managed care encounter records submitted to DMAS' Enterprise Data Warehouse Solution (EDWS) system. DMAS will use resident days in the calculation of payment levels under the program, as discussed below.

For the limited number of NFs eligible for the NF VBP program that do not participate in managed care, resident days for each facility will be based on fee-for-service paid Medicaid claims. Days are calculated by taking the header end date of service and subtracting the header first day of service and adding 1 (for the discharge date). If this calculation is 0 (because the header starts and end dates are the same date), then the days count is set to 1. DMAS will use the FFY 2025 timeframe (i.e., October 1, 2024, to September 30, 2025) to calculate Medicaid days for SFY 2026. The Medicaid days' data for this period will be considered final after the third month following the end of the prior performance year. DMAS reserves the right to decide the appropriate days used for payment determination.

Performance Evaluation Period

SFY 2026 performance-based payments will consider attainment on the specified measures, as well as improvement from the previous performance year. In the fourth year of the NF VBP program, the PM performance evaluation period will run from October 2024 through September 2025.

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NF VBP Payment Mechanics

Components of Total NF VBP Payment

As depicted in Exhibit 3, DMAS will derive payment under the NF VBP program based on several components. These components include (1) earned attainment funds for each measure, (2) earned improvement funds for applicable measures (if available), and (3) the number of applicable Medicaid days for the facility.

Exhibit 3. Components of the NF VBP Payment



Performance Measure Weights

PM weights define the total dollar amount allocated to each PM based on available funding for the program. Table 4 demonstrates the distribution of total funds across the PMs for SFY 2026. Staffing measures account for 40% of the total funds available for the PM component of the program. Measures for avoiding negative care events account for the remaining 60% of performance funds.

Table 4. SFY 2026 NF VBP PM Weights

Components of VBP Program	Weight	Total SFY 2026 Funding
Days without 8 Minimum RN hours ⁷	20%	\$37.0 M
Total Nurse Staffing Hours per Resident Day (RN, LPN, CNA) – case-mix adjusted	20%	\$37.0 M
Number of hospitalizations per 1,000 long-stay resident days	15%	\$27.7 M
Number of outpatient ED visits per 1,000 long-stay resident days	15%	\$27.7 M
Percentage of long stay with Pressure Ulcers	15%	\$27.7 M
Percentage of long-stay Resident with a Urinary Tract Infection (UTI)	15%	\$27.7 M
Performance (Attainment and Improvement)	100%	\$185 M

Performance Measure Tiers & Payment Calculation

Performance tiers were originally established by modeling CY 2020 data for all performance measures except the Days without Minimum RN hours staffing measure, which used 2019 facility data. The DMAS used the 25th, median, and 75th percentile values to set the thresholds for the Fair, Better and Best performance tiers for all measures except the Days without 8 Minimum RN hours. The performance tiers for the Days without 8 Minimum RN hours staffing measure were set by evaluating the 25th, median and 75th percentile values of the annualized 2019 Nursing Home Compare data on RN staffing hours. The Fair tier threshold was then adjusted to use the current Nursing Home Compare technical specification threshold for RN staffing. The Better and Best thresholds were adjusted to encompass the 50th and 75th percentile of facility performance in the 2019 annualized data. DMAS held the performance tier values constant for the first three years of the program.

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Beginning in SFY 2026, performance tiers for four of the six measures were revised for a variety of reasons, as follows:

- Due to a significant change by CMS to an underlying data source (the Minimum Data Set) that took place in FFY 2024, thresholds for two of the PMs – Total Nurse Staffing (case-mix adjusted) and percentage of long-stay residents with pressure ulcers – have been modified to account for reduced comparability of those measures for SFY 2025 and SFY 2026 compared to previous years. SFY 2025 performance on these measures serves as the baseline against which SFY 2026 improvement awards will be determined. For the Total Nurse Staffing (case-mix adjusted) measure, the SF 20Y25 baseline is based on three quarters of available FFY 2024 data (Quarters 2 – 4). For the percentage of long-stay residents with pressure ulcers measure, the SF 20Y25 baseline is based on all quarters of FFY 2024 data.
- Due to lower-than-anticipated overall performance on two of the measures – number of outpatient ED visits and number of hospitalizations per 1,000 long-stay resident days – thresholds have been modified to more evenly distribute anticipated performance across tiers in SFY 2026. Specifically, performance tiers for SFY 2026 have been set to evenly distribute the percentage of NFs falling into each tier, based on SFY 2023 performance.⁸

Table 5, below, depicts the PM level thresholds associated with each level of performance for each measure.

Table 5. SFY 2026 NF VBP Performance Measure Tier Thresholds⁹

Domain	Performance Measure	Threshold		
		Fair	Better	Best
Staffing	Days without 8 Minimum RN Hours	13.00 – 16.00	5.00 – 12.00	0 – 4.00
	Total Nurse Staffing Hours per resident day (RN, LPN, CNA) – case-mix adjusted	2.93 – 3.26	3.27 – 3.64	3.65 +
Avoidance of Negative Care Events	Number of hospitalizations per 1,000 long-stay resident days	1.57 – 1.91	1.20 – 1.56	0 – 1.19
	Number of outpatient ED visits per 1,000 long-stay resident days	1.06 – 1.50	0.71 – 1.05	0 – 0.70
	Percentage of long-stay Residents with Pressure Ulcers	5.23 - 7.63	3.45 – 5.22	0 – 3.44
	Percentage of long-stay Resident with a Urinary Tract Infection (UTI)	2.39 – 4.36	1.31 – 2.38	0 – 1.30

NFs can earn increasing levels of PM payment for higher levels of performance. As depicted in Exhibit 4, NFs can earn the full value (i.e., 100%) of the per diem award for attainment through performance levels in the Best performance tier. The maximum attainment payment for the “Better” tier is 75% of the per diem award, and the maximum attainment payment for the “Fair” tier is 50% of the per diem award. The “Below” tier does not earn attainment payments. Each PM is evaluated independently for each eligible NF.

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Exhibit 4. SFY 2026 NF VBP Performance Measure Tier Maximums

<u>Best</u> 100% PM per diem 75th percentile +	<u>Better</u> 75% PM per diem Median – 75th percentile	<u>Fair</u> 50% PM per diem 25th percentile – Median	<u>Below</u> 0% PM per diem Below 25th percentile
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(Note: Days without Minimum RN hours tiers are determined relative to federal requirements¹⁰)

Federal regulations published in 2024 that impact the NF VBP program beginning in SFY 2026 require DMAS to modify the attainment payment schedule for SFY 2026. Specifically, the program can only award NFs that demonstrate maintenance (or improvement) compared to the previous year.¹¹ For SFY 2026, DMAS defines maintenance as not falling by more than one tier compared to SFY 2025 results for a given measure. That is, if an NF's performance on a given measure drops by two tiers from the prior period, no payment is awarded. For NFs that fall by one tier, the attainment payment is reduced compared to the maximum attainment payment possible for the Better and Fair tiers. Table 6 describes the resulting attainment payment schedule.

Table 6. SFY 2026 Attainment Payment Schedule

Measure result		% Per Diem Earned
SFY25	SFY26	
Best	Best	100%
	Better	50%
	Fair	0%
	Below	0%

Measure result		% Per Diem Earned
SFY25	SFY26	
	Best	100%
Better	Better	75%
	Fair	25%
	Below	0%

Measure result		% Per Diem Earned
SFY25	SFY26	
	Best	100%
	Better	75%
Fair	Fair	50%
Below	Below	0%
No Result		

Table 7 illustrates the projected maximum per diem level equivalent each NF can earn through achieving various levels of performance on designated measures. Projected per diem amounts listed in Table 7 are calculated from applying the distribution of SFY 2025 performance across each measure to the total amount of program funding available in SFY 2026. Should the distribution of SFY 2026 performance for any of the measures cause a misalignment between the size of the improvement pool relative to program goals, final SFY 2026 per diem amounts – which can only be calculated once all

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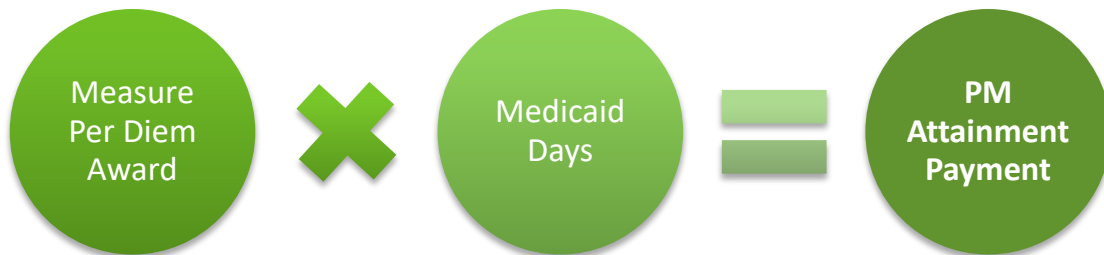
data are analyzed – may be increased relative to the projected per diem amounts. The magnitude of increases will depend on the magnitude of differences between NF performances in SFY 2025 compared to performance in SFY 2026. If the distribution of SFY 2026 performance for any of the measures causes the expenditure level to exceed allocated funding, the projected per diem amounts may be reduced to cap funding for that measure at the allocated amount.

Table 7. SFY 2026 Projected NF VBP Performance Measure Per-Diem Award Based on Tiers

Domain	Performance Measure	Threshold		
		Fair	Better	Best
Staffing	Days without 8 Minimum RN Hours	\$2.63	\$3.94	\$5.25
	Total Nurse Staffing Hours per resident day (RN, LPN, CNA) – case-mix adjusted	\$4.73	\$7.09	\$9.45
Avoidance of Negative Care Events	Number of hospitalizations per 1,000 long-stay resident days	\$3.13	\$4.69	\$6.25
	Number of outpatient ED visits per 1,000 long-stay resident days	\$3.38	\$5.06	\$6.75
	Percentage of long-stay Residents with Pressure Ulcers	\$3.13	\$4.69	\$6.25
	Percentage of long-stay Resident with a Urinary Tract Infection (UTI)	\$2.13	\$3.19	\$4.25

To calculate the full attainment award earned by a facility for a designated measure, multiply the per-diem attainment (determined by DMAS) by the number of applicable Medicaid days in the performance period (Exhibit 5).

Exhibit 5. NF VBP Performance Measure Attainment Award Calculation



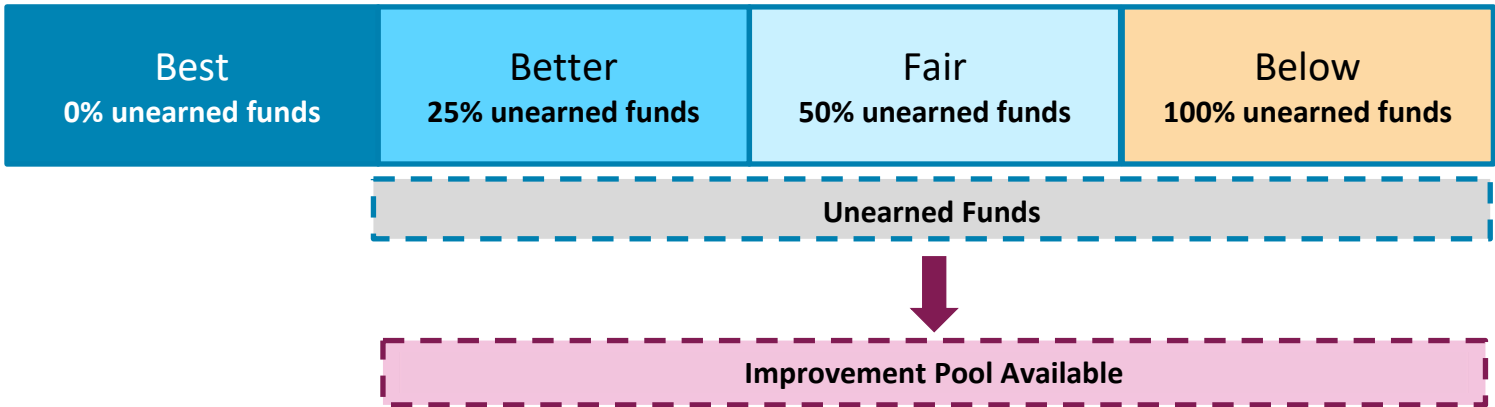
Performance Measure Improvement

After determining all PM attainment award amounts, the NF VBP program creates an “improvement pool” out of any remaining, unearned funds. The improvement pool is the sum of the remaining funds from facilities that did not earn any attainment funding or attained in the Better and Fair tiers (i.e., less than the maximum attainment per diem for a given PM), see Exhibit 6. The improvement pools are created on a measure-by-measure basis.

While an unlikely scenario, if all facilities attain at the Best tier for a specific PM, there would be no improvement pool for that PM because the facilities would have already earned all funding available for that PM.

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Exhibit 6: NF VBP Performance Measure Improvement Pool Mechanics



Facilities that participated in the NF VBP program during a previous program year that meet or exceed a PM improvement target are eligible for improvement awards, pending pool availability. Improvement award amounts are dependent on each measure's available improvement pool and the number of Medicaid days for the facilities that met the PM improvement target. By allowing unearned attainment funds to rollover into an improvement pool for a specific measure, the program can ensure that all funding available for a PM is dispersed based on NF performance, whether that performance is based on attainment and/or improvement. In most circumstances, facilities are eligible to earn funds for both attainment and improvement.

To determine the level of improvement payments, the program will take the total available improvement pool funds for a particular measure and divide this amount by the number of total Medicaid days for the NFs that meet the improvement threshold. The exact size of this award will vary based on 1) the size of the improvement pool and 2) the number of Medicaid days for NFs that meet the improvement target for any given measure. See Exhibit for a breakdown of this formula.

For both staffing measures (the Days without Minimum RN Hours and the Total Nurse Staffing Case-Mix Adjusted measure), NFs cannot earn an improvement payment if their previous performance was already within the Best performance tier (i.e., NFs cannot earn improvement funds for improvement *within* the Best tier). For all avoidance of negative care event PMs, NFs are eligible for improvement awards regardless of their previous or current tier. Table 8 provides additional detail.

Table 8. SFY 2026 NF VBP Performance Measure Improvement Thresholds

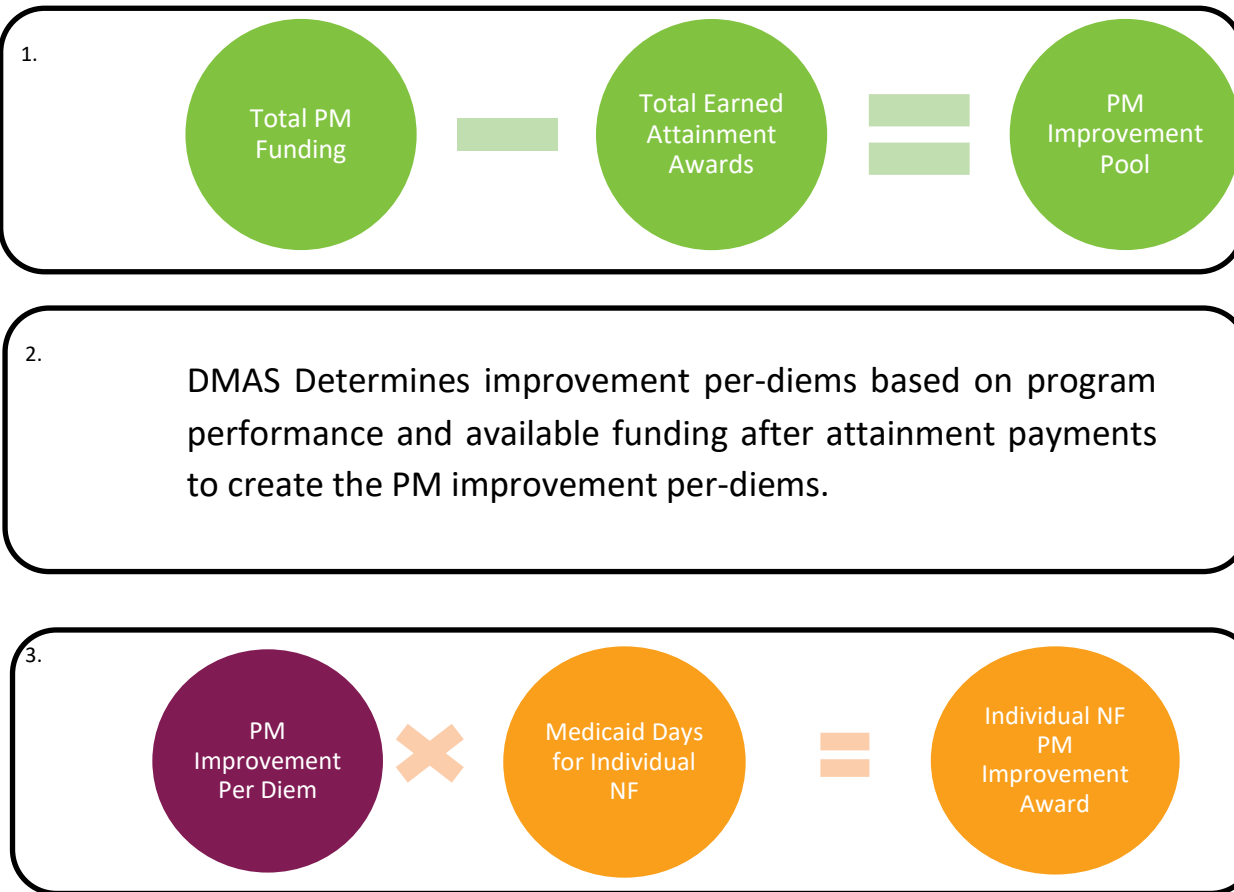
Domain	NF VBP Quality Measure	Improvement
Staffing	Days without 8 Minimum RN Hours	≥5%; up to the Best tier*
	Total Nurse Staffing Hours per Resident Day (RN, LPN, CNA) – case-mix adjusted	≥0.5%; up to the Best tier*
Avoidance of Negative Care Events	Number of hospitalizations per 1,000 long-stay resident days	Improvement of ≥5%
	Number of outpatient ED visits per 1,000 long-stay resident days	Improvement of ≥5%
	Percentage of long-stay Residents with Pressure Ulcers (see Table 6 for details).	Improvement of ≥5%

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Domain	NF VBP Quality Measure	Improvement
	Percentage of long-stay Resident with a Urinary Tract Infection (UTI)	Improvement of ≥5%

**NF can earn improvement when they move into a higher tier than previously held.*

Exhibit 7. Formula for Improvement Award for each NF Meeting PM Improvement Targets



VBP Program Payment Distributions

Payment Responsibility

To limit administrative burden and support transparency of total payments, each participating NF will receive their NF VBP payments from a single entity. For NFs that do not participate in Medicaid managed care, DMAS will be responsible for such payments. For NFs that participate in Medicaid managed care, managed care plans will be responsible for making this payment in accordance with the timing and size of payment directed by DMAS.

As each NF may serve members from multiple managed care plans, DMAS will review available data to attribute each eligible facility to a single managed care plan. The NF to MCO attribution will be available to all eligible NFs prior to any NF VBP payments for the program year.

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Payment Timing

The Total NF VBP payments earned – performance attainment and performance improvement will be paid in two lump sums throughout the year. This timeline addresses limitations presented by two (2) significant requirements or impacts in implementing the program:

1. All funds allocated for the SFY must be distributed within that SFY.
2. PM data are available at differing intervals and require certain run-out periods.

Table 9 shows the data collection period, data reporting month, and anticipated payment month for each portion of NF VBP payments in program year 4. This schedule anticipates that eligible NFs will receive lump sum payments associated with the program components in Table 7 in April/May 2026 and June 2026 in the fourth program year.

Table 9. NF VBP SFY 2026 Payment Timing

	Performance Measure	Data Collection Period	Data Reported	Payment Month
Performance Measures	Days without Minimum RN hours	October 2024 – September 2025 (FFY 2025)	January 2026	April/May, 2026
	Total Nurse Staffing Hours per Resident Day (RN, LPN, CNA) – case-mix adjusted			
	Percentage of long-stay Residents with Pressure Ulcers			
	Percentage of long-stay Resident with a Urinary Tract Infection (UTI)		April/May 2026	June/July, 2026
	Number of hospitalizations per 1,000 long-stay resident days			
	Number of outpatient ED visits per 1,000 long-stay resident days			

Additional Stipulations

DMAS Consideration of Final Results

The full amount of NF VBP program funding will be distributed to eligible NFs based on the criteria established above. As actual data for the performance period are not known in advance, DMAS reserves the right to review the results and adjust criteria as necessary to distribute available funding equitably and completely. No payments will be made that exceed the available funding for the program in total. DMAS will provide notice of any such changes to program criteria prior to finalizing payments.

DMAS will make all final determinations with regards to payments under the NF VBP program, including, but not limited to, determinations of any features pertaining to PM attainment and PM improvement, as well as any underlying data used to determine such payments. DMAS will work with stakeholders to address any disagreements in determinations on these points, but if DMAS and the stakeholder are unable to come to agreement, DMAS decisions are final and not subject to appeal.

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¹ Item 313#27c (DMAS) Continue Nursing Home Per Diem Payment & Begin Value-based Purchasing Program. HB1800 – Conference Report. (2021). Virginia’s Legislative Information System. <https://budget.lis.virginia.gov/amendment/2021/2/HB1800/Introduced/CR/313/27c/>; Item 304 Section 000 2.a-c (DMAS) Medicaid Program Services. HB30 - Chapter 2. (2022). Virginia’s Legislative Information System.

<https://budget.lis.virginia.gov/item/2022/2/HB30/Chapter/1/304/>.

² See “[Updates to Nursing Home Care Compare Staffing and Quality Measures](#)”.

³ Based on facility reported total RN staffing hours submitted to CMS within the required 45-day window following the end of the quarter, the count will include days with less than 7.5 hours of RN staffing. The daily requirement is considered met at 7.5 RN hours per day, as CMS instructs NFs to not report the required 0.5-hour meal break. For the purposes of the DMAS NF VBP Program, performance will be evaluated by combining four quarters of data to annualize the measure and will include Registered Nurse (job code 7), Registered Nurse Director of Nursing (job code 5), and Registered Nurse with Administrative Duties (job code 6) hours to encompass total RN hours. The data can be found in the Payroll Based Journal Daily Nurse Staffing File in the PBJ system. These data are submitted quarterly and are due 45 days after the end of each reporting period. Only data submitted and accepted by the deadline are used by CMS for staffing calculations. DMAS will collect and aggregate data from the PBJ Daily Nurse Staffing File. CMS conducts audits of nursing homes to verify the data submitted and to ensure accuracy. <https://data.cms.gov/quality-of-care/payroll-based-journal-daily-nurse-staffing>

⁴ Data for the total nursing hours per resident day case-mix adjusted measure are found in the NH Provider Info File. PQDC. (2021).

<https://data.cms.gov/provider-data/dataset/4pq5-n9py>. The Total nursing hours per resident day (RN + LPN + nurse aide hours) – case-mix adjusted measure result will be determined through a calculation of the weighted average of the four quarters of data based on Medicaid days. (Exception for SFY 2025 related to data freeze – limits usable data to one (1) quarter – period June-Sept 2024 – please refer to Exhibit C for more detail))

⁵ Long-stay resident quality measures show the average quality of care for certain care areas in a nursing home for those who stayed in a nursing home for 101 days or more.

⁶ Data are found in the NH Care Compare Quality Measure MDS Claims File PQDC - MDS Quality Measures. (2021). <https://data.cms.gov/provider-data/dataset/djen-97ju>

⁷ The daily requirement is considered met at 7.5 RN hours per day, as CMS instructs NFs to not report the required 0.5-hour meal break. For the purposes of the DMAS NF VBP Program, performance will be evaluated by combining four quarters of data to annualize the measure and will include Registered Nurse (job code 7), Registered Nurse Director of Nursing (job code 5), and Registered Nurse with Administrative Duties (job code 6) hours to encompass total RN hours.

⁸ Due to a methodological change in risk adjustment impacting these measures, CMS revised its thresholds for the measures for calculating performance in the Medicare Nursing Home Five-Star Quality Rating System program (see Design for Care Compare Nursing Home Five-Star Quality Rating System: Technical Users’ Guide, July 2024). Specifically, CMS’ revised thresholds make it easier to attain at every points level of the ED visits measure and more difficult to attain at every points level on the hospitalization measure. For the NF VBP program, it is possible that it will be easier to attain ED visit thresholds compared to previous years, and more difficult to attain hospitalization thresholds compared to previous years.

⁹ Values are not rounded prior to threshold designation. If a measure value is exactly equivalent to a threshold value, it is determined to be within the set threshold. A value is not determined to be within a tier until that value is more than the minimum threshold for that tier. (e.g., if a facility has Total Nurse Staffing Hours per resident day (RN, LPN, CNA) – case-mix adjusted of 3.4699, this facility will fall within the Better threshold).

¹⁰ Days without Minimum RN hours tiers were adjusted outside of the 25th, median and 75th percentiles to complement CMS staffing hour requirements in place at that time.

¹¹ Federal regulations at 42 CFR 438.6(c)(2)(vi)(B)(5) require that MCO payments to providers made under a State directed payment, such as the NF VBP program, are restricted to providers that demonstrate maintenance or improvement over baseline on the performance metrics upon which payments are based.