Nursing Facility Value-Based Purchasing

Nursing Home Oversight and Accountability Board

November 14, 2025

Agenda

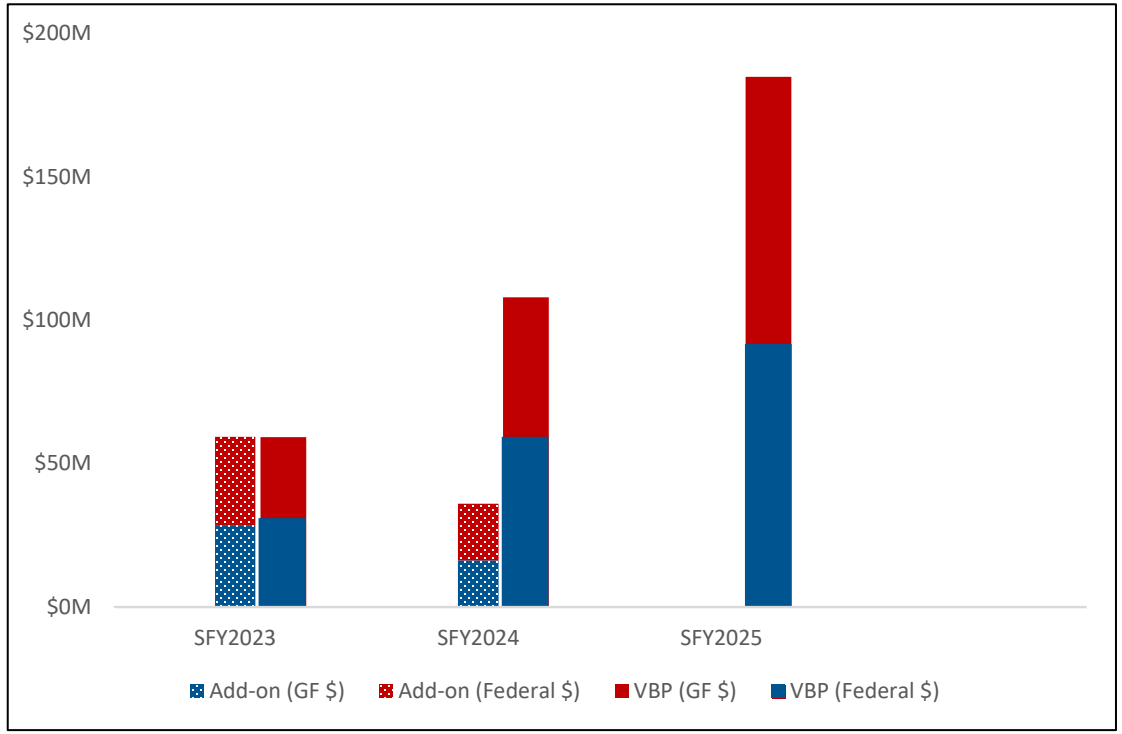
- Origin and Progression of Virginia Medicaid NF Value-Based Purchasing (VBP)
- Virginia's Nursing Facility VBP: How It Works
- Virginia's NF VBP Performance in a National Context
- Future Directions

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

- NF VBP program established by Item 313.LLLLL.2 of the 2021 Appropriations Act
  - Directed DMAS to work with NF and MCO stakeholders to develop and implement a unified VBP program.
    - Directed 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.
  - Allocated funding for the VBP program.

Origins of the Nursing Facility Value-Based Payment Program

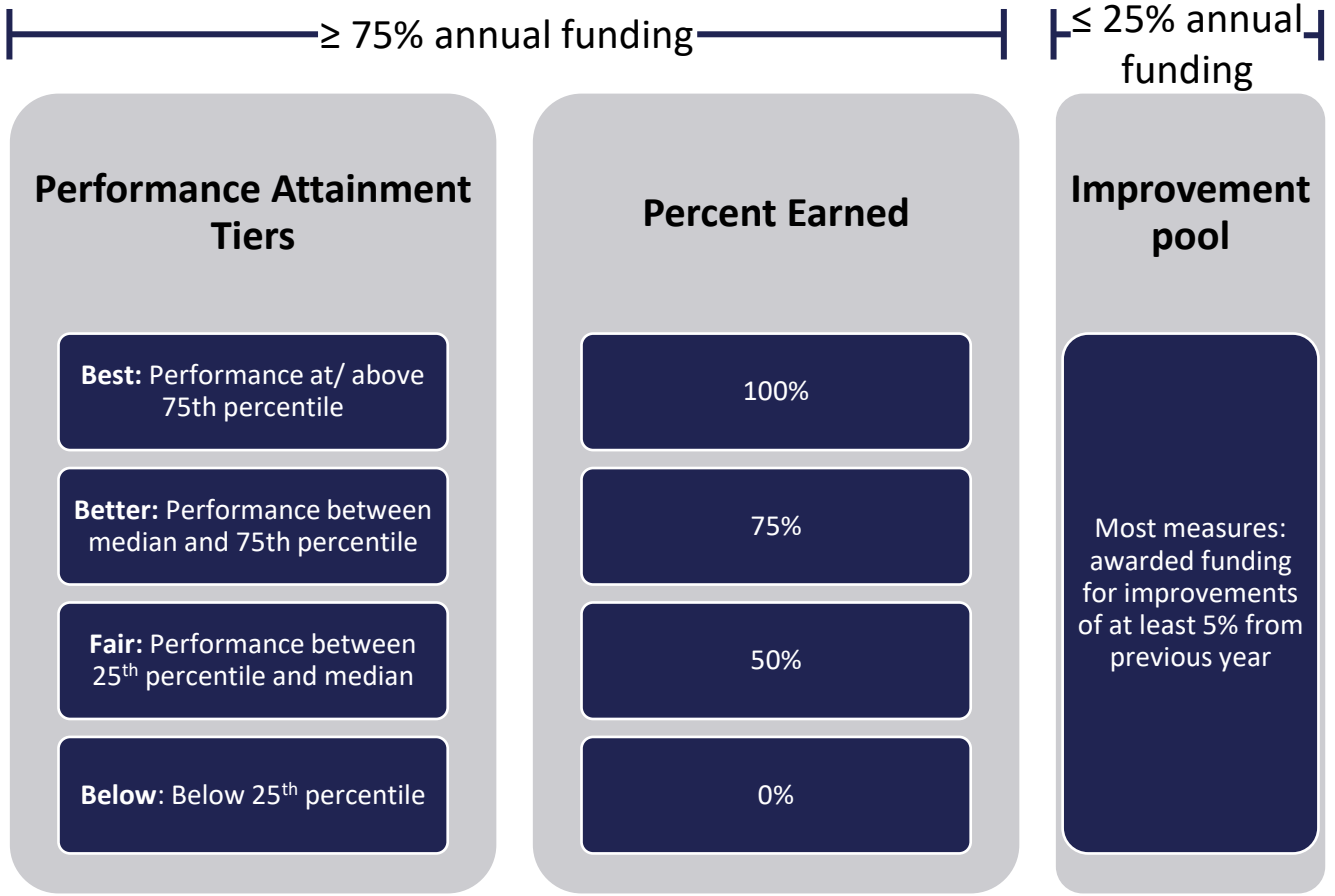
- The NF VBP program is an evolution of enhanced funding for NFs:
  - SFY21: $20 add-on payment per-resident, per-day to assist during COVID-19 crisis
  - SFY22: $15 add-on payment per-resident, per-day to assist during COVID-19 crisis
  - SFY23–SFY24: Add-on payment funding reduced/phased out, value-based 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 (SFY23 – SFY26)

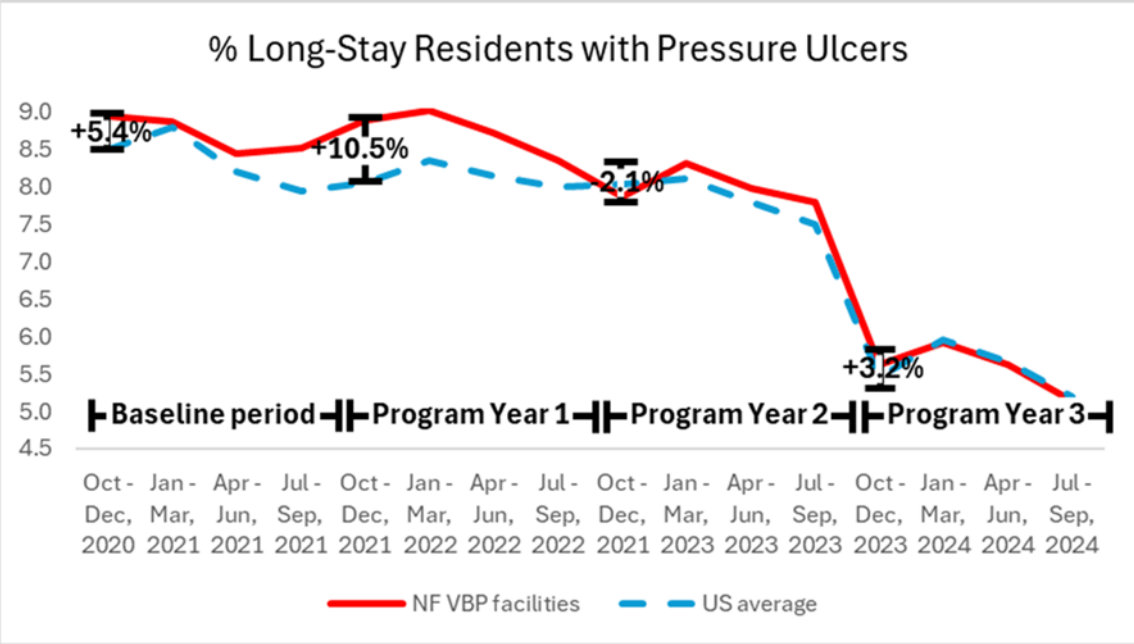
Domain	Measure	Description	Weight
Staffing 	**Minimum RN Staffing**	Meet 8 Hours/Day of RN care	20%
	Composite Nurse Staffing	Registered Nurse + Licensed Practical Nurse + Certified Nurse Assistant staffing time, case mix adjusted	20%
Quality (avoidance of events) 	**Hospitalizations**	Number of hospitalizations 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%

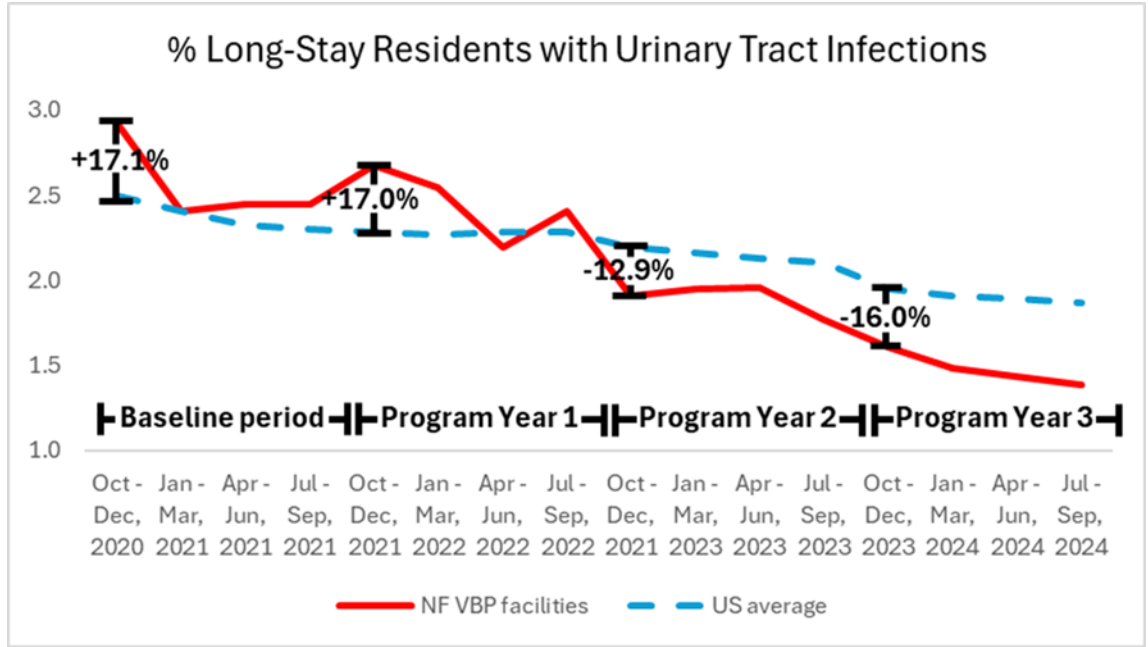
How Nursing Facility Value-Based Payments Work – Performance Attainment and Improvement Avenues



Nursing Facility Performance: Quality Measures (1)

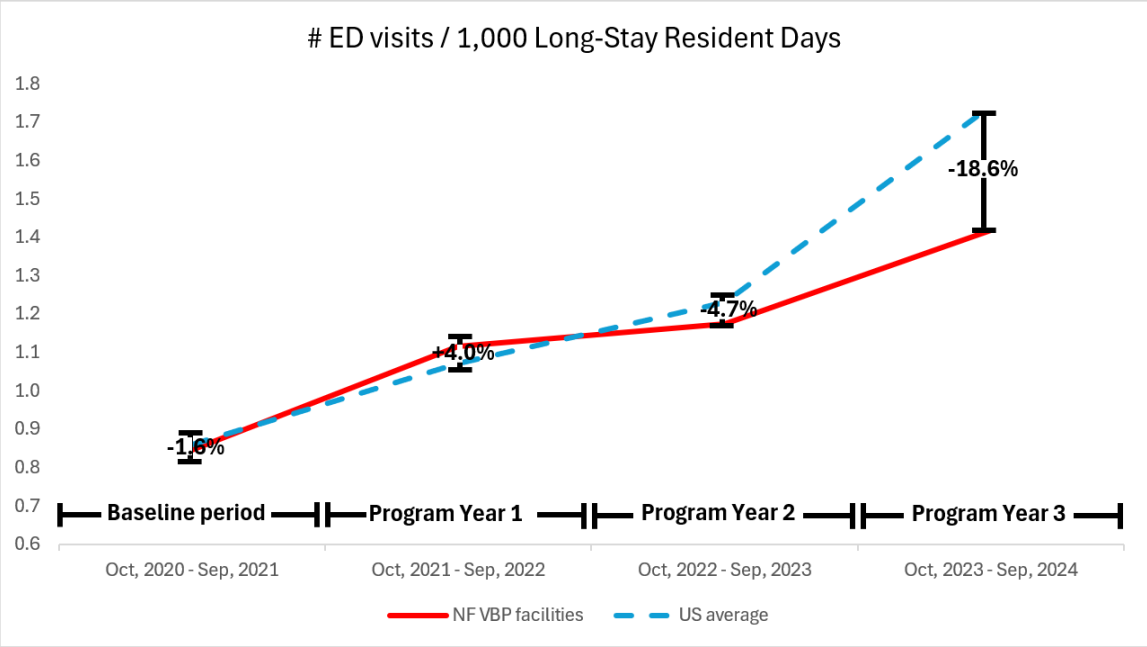
Virginia NF VBP facilities performance on Pressure Ulcers is similar to the national average.
Virginia's performance on Urinary Tract Infections is better than the national average.

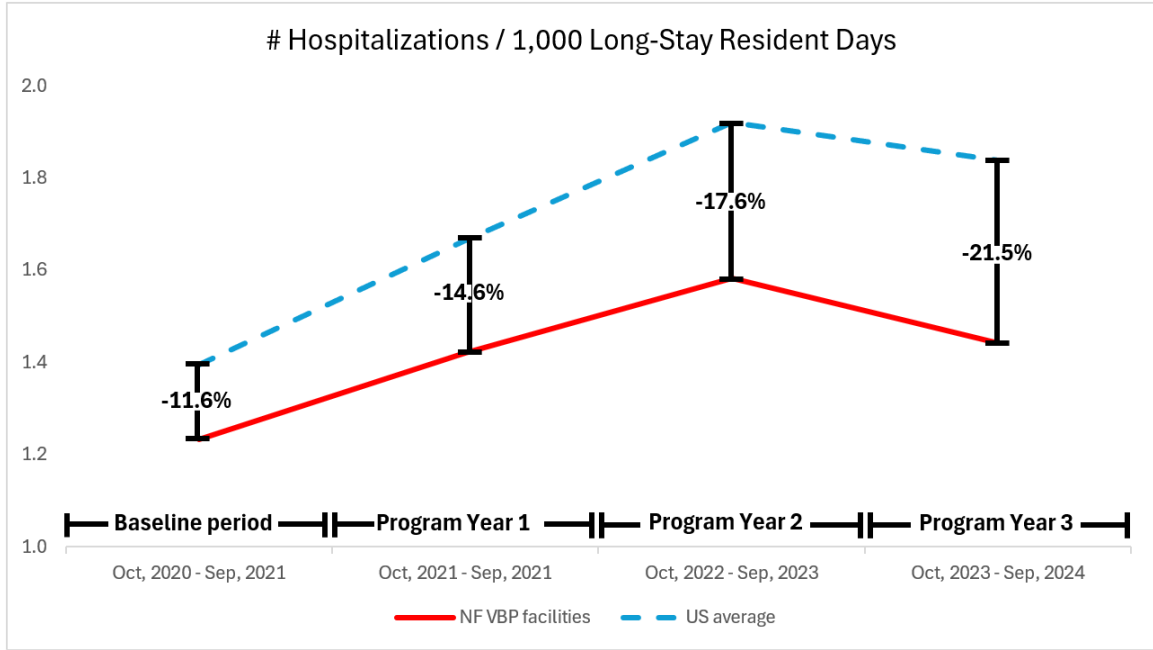




Virginia Compared to Other States: Quality Measures (2)

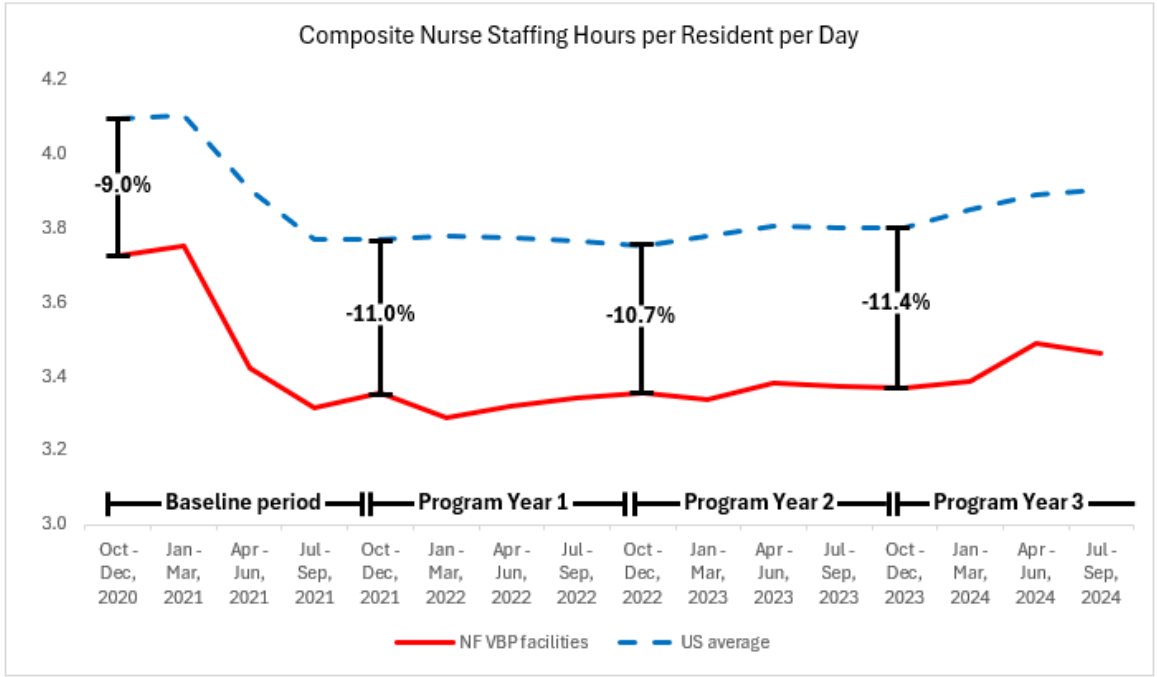
Virginia NF VBP facilities have performed better than the national averages for both measures.

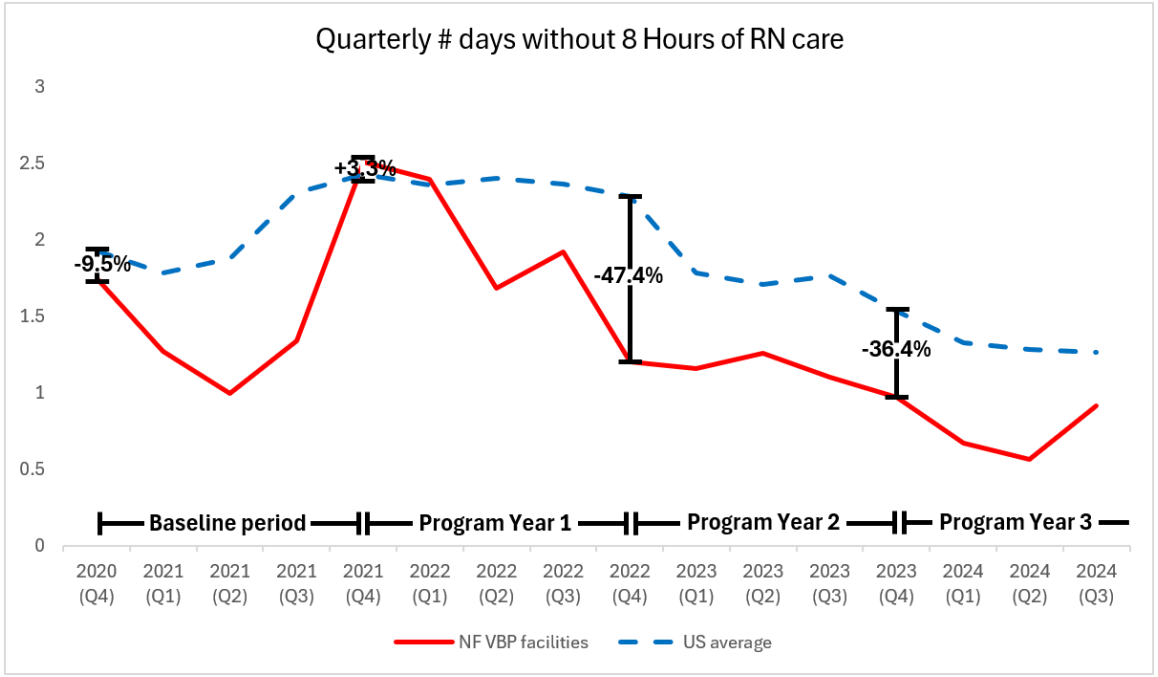




Virginia Compared to Other States: Staffing Measures

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





Future Directions

- SFY26:
  - Reduce/eliminate attainment payments to nursing facilities that decline in performance
- SFY27:
  - Exclude Special Focus Facility (SFF) and SFF candidates from receiving payments
  - Modify program measures to recognize program-wide improvements in performance, introduce new areas requiring improvement, and align with CMS' NF VBP program for Medicare
  - DMAS is researching additional modifications to attainment payments for nursing facilities that decline in performance
- SFY28 and beyond:
  - Continue to assess program measures and thresholds in light of historical performance, opportunities for improvement, and national trends
  - Strengthen linkages between DMAS' NF VBP program with NF-focused quality initiatives within Medicaid and VDH licensure/certification requirements

Additional Slides – Annual program timeline