

Top Skilled Nursing Facility Trends for 2019

Like recent eventful years, 2019 presents new challenges for skilled nursing facilities. And to succeed in this era of disruption, skilled nursing facilities need to transform their operations in response. Here are the top five trends to watch this year and tips to help LTC organizations prepare—and stay ahead.

Changes to Nursing Home Compare

The Centers for Medicare & Medicaid Services (CMS) is implementing changes to Nursing Home Compare and the Five-Star Quality Rating System effective in April 2019. Designed to strengthen the tools for consumers, the updates are intended to provide more meaningful information about a skilled nursing facility's quality of care so they can make more informed decisions and include revisions to:

- The inspection process, including lifting the “freeze” on health inspection ratings instituted in February 2018, when a new process was implemented. As of April, all facilities should be prepared to be surveyed under the new process.
- Higher thresholds and evidence-based standards for nursing homes' staffing levels, which will result in an automatic one-star rating for facilities without a registered nurse (RN) onsite four days in a quarter. Facilities need to immediately address skilled nursing shortages since, as staffing levels increase, so does quality.
- New quality measures, including long-stay hospitalizations and emergency room transfers as well as separate quality ratings for short- and long-stay residents. As a result, facilities must adjust the care delivered to short-stay residents to focus on returning them to their previous setting, which differs fundamentally from what's needed for long-term patients.

The Patient Driven Payment Model (PDPM)

Effective October 1, 2019, CMS will begin the Patient Driven Payment Model (PDPM), a new system for classifying skilled nursing facility patients in a Medicare Part A stay into payment groups. Largely intended



to replace the current RUG-IV system with a completely new way of calculating reimbursement, PDPM will incentivize and refocus on treating the whole resident with good clinical practices while decreasing the emphasis on the volume of services and the administrative burden. Skilled nursing facilities must understand that the system will change therapies dramatically; utilization will be driven by patient needs and not minutes. And ICD-10 diagnosis coding will require more accuracy and clinical judgment, especially because once the patient has been assessed at the beginning of the stay, the payment is set and will be difficult to change.

Updated Beers Criteria

Based on new evidence, changes were made to the American Geriatrics Society's Beers Criteria for Potentially Inappropriate Medication Use in Older Adults that update the medications and medication classes older adults should avoid or use with caution. Facilities should review the updates across all of the five current lists as well as the newly released companion tools when making decisions about treatment options to help ensure medication safety.

Market Dynamics

With reimbursements slashed and low Medicaid rates, many facilities cannot survive today. In 2019, bankruptcies that disrupt the market will likely continue as will mergers and investment by private equity firms. This shift will create powerhouse players that have deep pockets to invest in infrastructure and equipment and the flexibility to adapt to dynamic conditions quickly, upping competition in an already-stiff marketplace. To keep pace, privately-owned facilities must stay nimble and proactively adapt to changing regulatory requirements, demographics, and census, including considering the addition of new services—possibly even through partnerships with each other.

Value-Based Purchasing

The Skilled Nursing Facility Value-Based Purchasing program focuses on better outcomes and rewards facilities with incentive payments for the quality of care they give to people with Medicare, in particular reducing readmissions within 30 days following hospital discharge. The first incentive payments were issued in October 2018, and will come out annually thereafter. But the program impacts more than just an organization's bottom line; consumers and others can review the information to compare facilities, which can affect their standing in the community and with partners. In response to this new carrot-and-stick approach, facilities need to adjust their emphasis to focus on the quality, rather than the quantity, of care they give patients to prevent unnecessary readmissions.

Skilled Nursing Workforce Challenges

Workforce shortages, which lead to an increased chance of neglect – and liability – continue to plague the long-term care industry. But recruiting and retaining skilled labor is challenging because acuity is high, the job can be both physically and emotionally demanding, and wages are low. Complicating the issue even further is the fact that facilities are competing with hospitals and other higher-paying sectors inside and outside of

healthcare for a limited well-trained applicant pool. Since frequent staff changes cause disruptions in the continuity of care that pose serious concerns, organizations must adopt strategies to improve employees satisfaction with their job and work environment such as affording them the opportunity to provide meaningful care to residents by managing their work and assignments accordingly and leveraging technology for greater efficiencies that increase the nursing time per resident per day, and decrease adverse outcomes in the process.

*Understanding the changes shaping our industry will help SNF operators adapt to capitalize on opportunities in the current environment. For more assistance and to learn how teaming with PharMerica as your pharmacy partner can position your organization for continued success, contact us at info@PharMerica.com or **800-564-1640**.*