**Pioneer ACO SNF 3-day rule Waiver**

**Background**

The Medicare SNF benefit is for beneficiaries requiring a short-term intensive stay in a SNF for skilled nursing and/or rehabilitation care. As described under the original Medicare law, to be eligible for this benefit, beneficiaries must have a prior inpatient hospital stay of three or more consecutive days. This has become known as the SNF 3-day rule.

CMS understands that—in certain circumstances—it could be medically appropriate for some patients to receive skilled nursing care and or rehabilitation services provided at SNFs without prior hospitalization or with an inpatient hospital length of stay of less than 3 days. The Pioneer ACO Model establishes a discrete set of payment incentives and care delivery rules that are designed to enable its participants and the Medicare Trust Fund to improve the quality of care while reducing the rate of growth in expenditures. Given these conditions and the strong monitoring and evaluation components of the Pioneer ACO Model, CMS has decided that a tailored waiver of the SNF 3-day rule will enable the Pioneer ACOs to select the most appropriate care delivery site for a subset of SNF-eligible beneficiaries while reducing expenditures through care improvement.

This SNF 3-day rule Waiver is to allow for Medicare payment for otherwise covered SNF services when Pioneer ACO Providers/Suppliers participating in eligible ACOs admit qualifying beneficiaries to a designated SNF either directly or after fewer than 3 inpatient hospital days. The waiver is for all Pioneer ACOs that demonstrated through an application process that they have the capacity and infrastructure to identify and manage Pioneer Beneficiaries admitted to a SNF without the required 3 day hospital stay. All other requirements for the Medicare SNF benefit will remain unchanged.

**Eligibility**

*Pioneer Accountable Care Organizations:* All Pioneer ACOs are eligible to apply for a waiver of the 3-day SNF rule for their Pioneer beneficiaries, but must demonstrate they have the capacity to identify and manage patients who would be either directly admitted to a SNF or admitted to a SNF after an inpatient hospitalization of fewer than three days.

*Medicare Beneficiaries:* Patients eligible for SNF admission under the terms of this waiver will include only Medicare beneficiaries aligned to a Pioneer ACO who do not reside in nursing homes or SNFs for long-term custodial care at the time of the decision to admit to a SNF under this waiver. Eligible beneficiaries must be admitted to SNFs at the direction of admitting Pioneer Providers and not at the direction of SNFs or non-Pioneer providers. This means a Pioneer provider/supplier must be involved in the decision to admit a patient to a SNF, either directly without a preceding 3 day hospital stay (such as from an ED) or after fewer than 3 days inpatient. Pioneer ACO document a Pioneer-affiliated provider approved the decision to admit to the SNF. For reporting purposes, the Pioneer ACO should know at all times which patients are participating in the waiver to assure the SNF is the best place for the patient at any point in time.

Consistent with criteria previously established by CMS, these patients minimally must:

1. be medically stable,
2. have confirmed diagnoses (e.g. does not have conditions that require further testing for proper diagnosis),
3. not require inpatient hospital evaluation or treatment, and
4. have an identified skilled nursing or rehabilitation need that cannot be provided as an outpatient or home health services.

_Skilled Nursing Facilities:_ Pioneer ACOs will identify a SNF or group of SNFs with which they will partner in this waiver. The designated SNFs must have the appropriate staff capacity and necessary infrastructure to carry out activities proposed in this waiver. The SNF may be, but is not required to be a Pioneer Provider/Supplier. SNFs may not participate in both this waiver and the CMS Bundled Payments for Care Improvement (BPCI) Model 3. Each participating SNF submits a letter of support, agreeing they will carry out the process described in this waiver. Trinity ACO identified two facilities in Fort Dodge, Friendship Haven, Inc. and Marian Home, with which to partner initially.

**Terminology**

3-day SNF Rule refers to a Medicare statutory requirement that there be a prior 3-day inpatient hospital stay in order for a beneficiary to be eligible for coverage of inpatient SNF care.1

3-day SNF Waiver is a waiver of the 3-day SNF Rule. The waiver will allow for Medicare payment for otherwise covered SNF services when a Pioneer Provider/Supplier participating in an eligible Pioneer ACO admits a qualifying Pioneer Beneficiary who has not had a prior inpatient hospitalization or who has had fewer than 3 day inpatient stay to a selected SNF with which the Provider/Supplier’s Pioneer ACO is partnering. Other requirements for the Medicare SNF benefit will remain unchanged.

Selected SNF refers to a SNF, as identified by CMS Certification Number (CCN) that is participating in the Pioneer 3-day SNF Waiver. An eligible SNF must be identified by one or more Pioneer ACOs on their 3-day SNF Waiver application and approved for participation by CMS.

SNF Comprehensive Care Provider Team is a team of providers that, at a minimum, includes physicians, nursing staff, case managers, pharmacists, and administrators who will be responsible for optimizing care integration, outcomes, and adherence to the criteria outlined in the waiver as well as to the Pioneer ACO Model Agreement, as amended.

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1. 42 U.S.C. §1395x(i); 42 C.F.R. § 409.30(a)(1)