


PA Department of Public
Welfare/Department of Aging
Office of Long Term Living (OLTL)

Nursing Facility Policy Update
October 26, 2011


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OLTL Update

AGENDA:

- NF Rates
- Budget Adjustment Factor
- NF Assessments, 2011-12
- MDOI and P4P Payments
- NF Rate Setting Methodology Review
- Prudent Payment Plan
- Participation Review Final Regulations
- NF PSAE



NF Rates

2010-11 Rates, (Non-public NFs)

- Final Rate Notice published Oct 1
- 10-11 Retro Claim Adjustments Schedule...
posted on website (recoveries, same
timing as for 09-10)



NF Rates

2010-11 Retro Claim Adjustments Schedule:

GROUP 1

- A. All NFs that have a net positive payment for the FY
- B. NFs that owe less than 25% of their average monthly payment, recovered immediately
- C. Public NFs

GROUP 2

NFs that owe 25% to and including 49% of their average monthly MA payment will have the amount owed to the Commonwealth recovered over a four month period; it will be equally divided over the four months.

GROUP 3

NFs that owe 50% or greater of their average monthly MA payment will have their amount owed to the Commonwealth recovered over a six month period; it will be equally divided over the six months.



NF Rates

2011-12 Rates

- No Regs in play this year for NF Rates
- Last year of phase-out of County Home costs in Non-publics' PG Price calculations (25% / 75%)
- Second year of the phase-in to RUG v 5.12 and use of the latest classifiable assessments
- BAF SPAs need to be approved by CMS before Proposed rates can become final for Counties or for Non-publics (When???)



NF Rates

2011-12 Rates, cont'd

- 2011-12 Proposed Rates for the County Homes and the July and Oct 2011 Proposed Non-publics' Rates are on the DPW website
- January 2012 Proposed Non-public rates should be posted 3rd week in Oct



Budget Adjustment Factor

- The Budget Adjustment Factor (BAF) limits MA payment rates for MA-participating county and non-public nursing facilities so that the statewide day weighted average payment rate is limited to the amount permitted by the funds appropriated by the General Appropriations Act.



Budget Adjustment Factor (BAF), For Non-public Facilities

- BAF Formula (non-publics):
 - Calculate a "Target Rate" (statewide day weighted avg payment rate for the year based on budget)
 - Calculate quarterly day weighted avg rate at 100%
 - Divide Target Rate by Quarterly day-weighted avg rate at 100%
- BAF adjusted quarterly FY 2011-12
 - 2011-12 Target Rate --- \$190.85
 - July BAF --- .88598
 - Oct BAF --- .86825
 - Jan BAF --- TBD



BAF , County Homes

■ BAF Formula (County Homes):

■ Proposed 11-12 State Plan Amendment Language:

“For the rate year beginning July 1, 2011, the per diem rate paid to a county nursing facility for an MA resident will be the facility’s prior year per diem rate as calculated under Chapter 1189, Subchapter D and § 1189.91(b) multiplied by 1.0.”

- We will be reviewing the BAF formula with the NF Assns for next year’s BAF formula



NF Assessments

2011-12 NF Assessment Process:

- Waiver Request Submitted to CMS July 8, 2011
 - CMS Approval Letter is expected NOW
- Proposed 11-12 Assmnt Rates: **\$6.59** and **\$28.04**
- Governor Must Approve After CMS Approval
- “Important Dates” to be Posted to DPW website
- Quarterly NF Resident Days to be Submitted by NFs
- “Supplemental” and “MDOI” Payments Made
(**Except to Delinquent NFs**)
- NF Submits Quarterly Assessment Payments to DPW



NF Assessments, cont'd

- NF Assessments expected to generate \$434 million in 2011-12
- \$434 million used to cover payments to nursing facilities. (County Homes and Non-public Facilities; Routine MA per diems, Supplemental Payments and MDOI Payments)
- NF Assessment Program **Must Be** Reauthorized in 2012. The alternatives are not good.



MDOI and P4P Payments


MDOI and P4P Paid
Only to County Homes



P4P Payments

P4P


- P4P Currently Funded by IGT Funds (\$6.5mil/yr)
- P4P Currently Authorized Thru June 30, 2012
- Paid When CMI Data is Available
(Aug, 2011 Picture Date P4P is planned to be processed for payment Nov 2nd)



P4P Payments

P4P Schedule for 2011-12

P4P Quarter	Newest Picture Date	Previous Picture Date	Payment Date
7/1/2011	8/1/2011	5/1/2011	Early Nov 2011
10/1/2011	11/1/2011	8/1/2011	Mid January 2012
1/1/2012	2/1/2012	11/1/2011	Mid April 2012
4/1/2012	5/1/2012	2/1/2012	Mid July 2012



P4P Payments						
P4P Sample Calculation						
Name	08/01/11 Picture Date MA CMI	05/01/11 Picture Date MA CMI	Eligible	DSH MA Days	# Eligible Days	P4P Payment
Facility A	0.80	0.80	No	23,394	0	\$0
Facility B	0.89	0.87	Yes	121,820	121,820	\$158,878
Facility C	0.92	0.90	Yes	43,155	43,155	\$56,283
Facility AC	0.90	0.89	Yes	64,532	64,532	\$84,163
Facility AD	0.82	0.86	No	77,045	0	\$0
Facility AE	0.95	0.97	No	121,799	0	\$0
				Total Days	1,245,973	
				Amount Available	\$1,625,000	
				Amount Per Day	1.3042	




MDOI Payments
MA Day One Incentive (MDOI)
<ul style="list-style-type: none"> • MDOI Funded from NF Assessments <u>and</u> CPE Funds • MDOI Currently Authorized Thru June 30, 2012 (<u>Pending</u> CMS Approval of SPA) • Payments <u>Pending</u> CMS Approval of NF Assessment Waiver



MDOI Payments

MA Day One Incentive (MDOI)

- Annual calculation, but paid in four installments
- Days used to calculate payment are the same used for disproportionate share payment calculation
- Payment schedule mirrors supplemental payment for non-County facilities




MDOI Payments

MA Day One Incentive (MDOI)

- Implemented July 1, 2006
- To qualify:
Must be County NF at time of payment
- Funds vary

•2006/07	\$26,000,180	\$7.79 per day
•2007/08	\$26,852,835	\$8.06
•2008/09	\$25,220,963	\$7.73
•2009/10	\$40,534,510	\$12.76
•2010/11	\$37,146,312	\$12.91
•2011/12	\$45,792,969	\$16.15



Survey, CCRC Affiliated NFs

- Email Sent to all CCRC-Affiliated Nursing Facilities Sept 7th
- Purpose of Survey, Provide Data on CCRC-Affiliated NFs for Future NF Assessment Program Policy Considerations
- Deadline for Completion was [Sept 28th](#)
- Although the Survey Requested Facility Cooperation, It May be Mandated
- If you are a CCRC-Affiliated NF and Did Not receive the email, please contact Rita Stewart, OLTL Assessments Office [717-346-1484](tel:717-346-1484)



NF Rate Setting Methodology Review

Rate Methodology Review Process/Timeline:

- [Nov 2011](#) ... OLTL Contracts with NF Rate Setting Consultant
- [Dec 2011](#) ...Consultant Meets w/NF Representatives/Stakeholders
- [May 2012](#) ...Consultant Researches Payment Systems and Presents Preliminary Report/ Proposal to OLTL
- [By Nov 2012](#) ...Consultant Provides 4 Statewide Presentations to Providers
- [By June 2013](#) ...Conduct a Series of 10 Meetings, NF Representatives, OLTL, and Consultants Attempt to Reach Consensus on New System Design
- [Aug 2013](#) ... OLTL Begins to Prepare Public Notice, Proposed Regulations, State Plan Amendment



NF Rate Setting Methodology Review

■ DRAFT 12 Guiding Principles (DRAFT):

The Commonwealth's nursing facility Medicaid payment system should:

1. Meet current state and federal statutory and regulatory requirements
2. Be fiscally responsible, with awareness of the Commonwealth's budget constraints and nursing facilities' operating costs.
3. Produce an equitable and fair balance between quality care and cost containment in nursing facilities.
4. Maximize stability and predictability of payments for nursing facilities.
5. Maintain adequate access to nursing facility services across the state.



NF Rate Setting Methodology Review

System Design Guiding Principles: (cont'd)

The Commonwealth's nursing facility Medicaid payment system should:

6. Encourage nursing facilities to admit persons eligible for Medicaid.
7. Encourage nursing facilities to admit and provide care to persons with higher acuity of care needs.
8. [Encourage nursing facilities to transfer appropriate residents to alternative community-based service settings. *](#)
9. [Consider the State's rebalancing efforts.*](#)
10. Minimize system complexity, (simplicity).
11. Minimize administrative burden for both the state and nursing facilities.
12. Minimize the conditions that cause provider litigation/appeals.

* [Controversial](#)




Prudent Payment Plan

Prudent Pay Schedule - SFY 2011-2012

See MA Bulletin 99-11-07

<http://services.dpw.state.pa.us/olddpw/bulletinsearch.aspx?BulletinId=4732>




Prudent Payment Plan

‘Claim Received’ reflects the date on which claims received by the Department will first be affected by each monthly, incremental change.

	Claim Received	Financial Cycle	Remittance Advice Date	Payment Date
Current Process - 11 days	10/3/2011	10/15/2011	10/17/2011	10/26/2011
1st Increment - 12 days	10/3/2011	10/22/2011	10/24/2011	11/2/2011
2nd Increment - 13 days	11/6/2011	11/26/2011	11/28/2011	12/7/2011
3rd Increment - 14 days	12/3/2011	12/24/2011	12/26/2011	1/4/2012
4th Increment - 15 days*	2/3/2012	2/25/2012	2/27/2012	3/7/2012
5th Increment - 16 days	3/8/2012	3/31/2012	4/2/2012	4/11/2012
6th Increment - 17 days	4/4/2012	4/28/2012	4/30/2012	5/9/2012
7th Increment - 18 days	5/1/2012	5/26/2012	5/28/2012	6/6/2012

*The month of January was excluded from the schedule in consideration of the Department's upgrade to version 5010 for HIPAA compliancy.



Participation Review Final Regs

- ▼ Public Comment Period Ended Dec 6, 2010
 - ▼ Rec'd Comments from 9 Commentators and IRRC
- ▼ Act 22 Provided an Extension of the Deadline for Final Regs to June 30, 2012
- ▼ We Have Met w/the Nursing Facility Associations Twice to Review Our Final Draft
- ▼ Have to Present Final Rule to IRRC and to Legislative Oversight Committees
- ▼ Final Regulations Will be Published by June 30, 2012



Nursing Facility PSAE Program

PSAE Final Bulletin Status:

- ▼ Currently Finalizing Responses to the 300+ Comments received
- ▼ New Twist...CMS' Final Regulations re "Provider Preventable Conditions" ...Published on June 6th
 - ▼ Affects Hospital PSAE Program, Requires an SPA for the Covered Hospital Conditions
 - ▼ May Affect Our Nursing Facility Final PSAE Program
 - ▼ I.e. "Other Provider Preventable Conditions" such as certain surgical events require Providers Other than Hospitals to Report via Billing Processes
 - ▼ OMAP to Publish a Notice and Probably a Bulletin that will be Applicable to NFs re Surgical Events



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QUESTIONS?

COMMENTS?

CONCERNS?

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