

Assisted Living Program (ALP) Workgroup

May 12, 2009



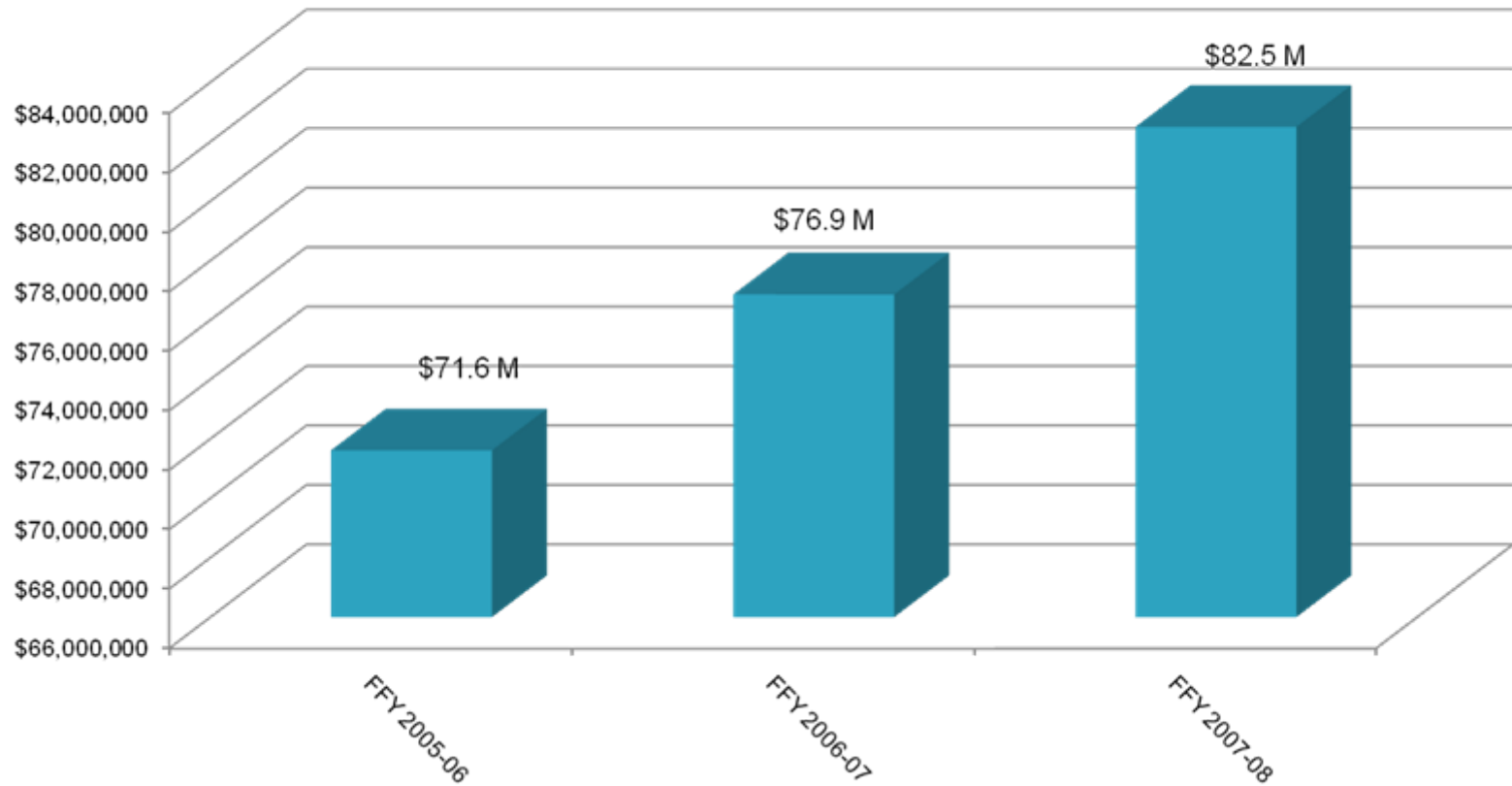
Overview of ALPs Program in New York State

Region	Programs	Beds
Albany	8	303
Binghamton	5	130
Central Rural	1	56
Elmira	1	40
Erie	9	486
Long Island	3	495
NYC	18	1,631
Orange	4	187
Poughkeepsie	3	115
Rochester	6	153
Syracuse	6	237
Utica	3	128
Westchester	3	186
TOTAL	70	4,147

Source: NYS DOH Office of Long Term Care based on data as of May 8, 2009, there are three Regions that do not have ALPs

ALP Expenditures (FFY 2006 – 2008)

Expenditures



Source: NYS DOH/OHIP Bureau of Program Quality, Information and Evaluation

ALP Utilization for Top 5 RUG Categories

RUG Group (PRI)	FFY 2005-2006 Expenditures	Claims	Recipients
CA - Clinically Complex A	\$4.5 M	31,096	307
CB - Clinically Complex B	\$2.7 M	13,656	194
PA - Reduced Physical Functioning A	\$37.2 M	389,119	2,585
PB - Reduced Physical Functioning B	\$9.9 M	77,541	628
PC - Reduced Physical Functioning C	\$16.4 M	111,491	920

Source: NYS DOH/OHIP Bureau of Program Quality, Information and Evaluation

ALP Reimbursement: The Basics

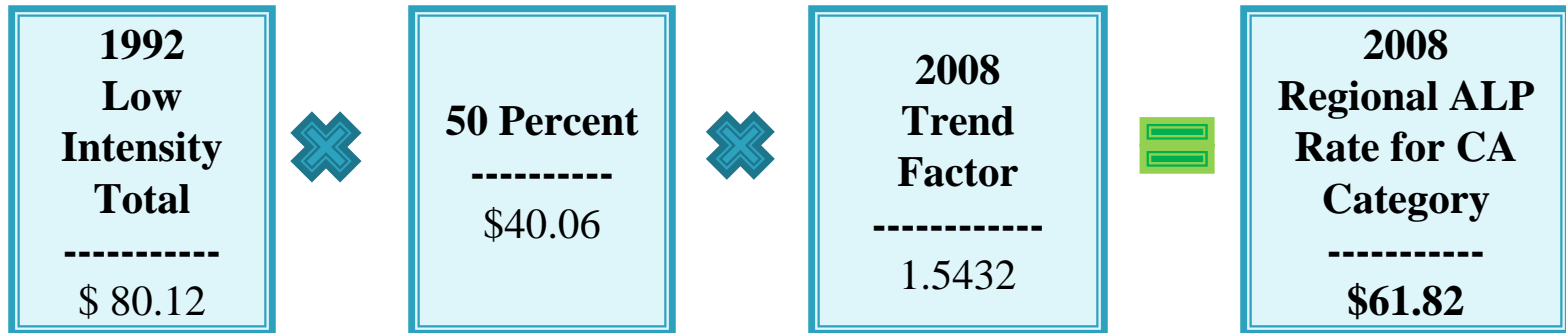
- ▶ The reimbursement methodology for ALPs is a price.
- ▶ ALP rates include components for direct patient care, indirect costs, non-comparable costs, capital and nursing per diem.
- ▶ ALP rates are:
 - Formulated based on July 1, 1992 statewide mean prices
 - Established for each of the 16 Resource Utilization Groups (RUG) for each the 16 WEF Regions
 - Trended forward annually using an ALP roll factor

Overview of ALP Rate Calculation

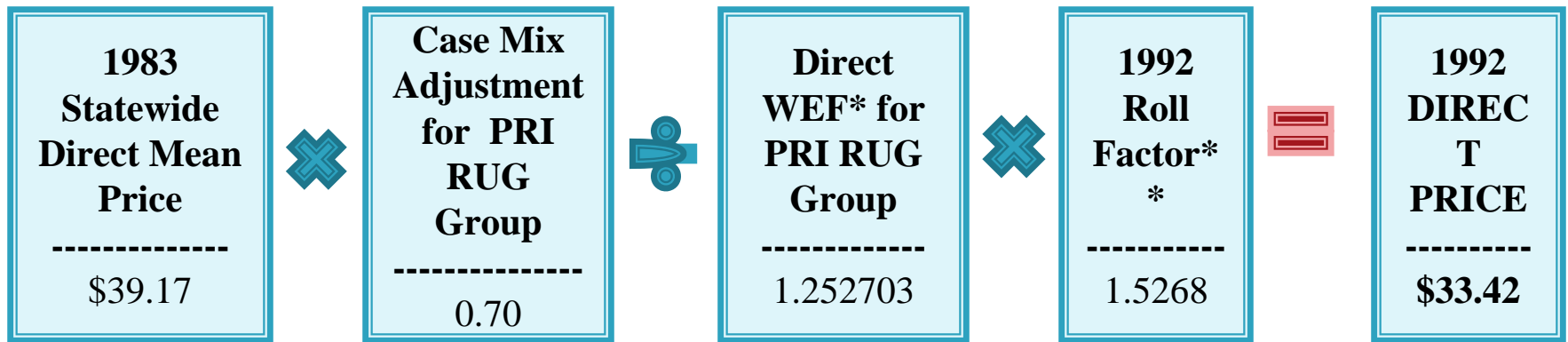
- ▶ The rate consists of 50 percent of the sum of the following components:
 - Direct Component – 1983 Statewide direct mean times the case mix index for each RUG group, adjusted by the Regional Direct Input Price Adjustment Factor (RDIPAF) calculated for each RUG within each region trended to 1992
 - Indirect Component – 1983 Statewide indirect mean price for freestanding, under 300-bed, low intensity facilities (CMI equal to or less than 0.83) trended to 1992.
 - Capital Component – 1992 regional average weighted per diem from the January 1, 1992 rates
 - Nursing Component – 1992 regional average weighted per diem from the January 1, 1992 rates

Overview of ALP Methodology ~

Example: Albany Region – CA RUG Category



1992 Direct Price Calculation ~ Example: Albany Region – CA RUG Category

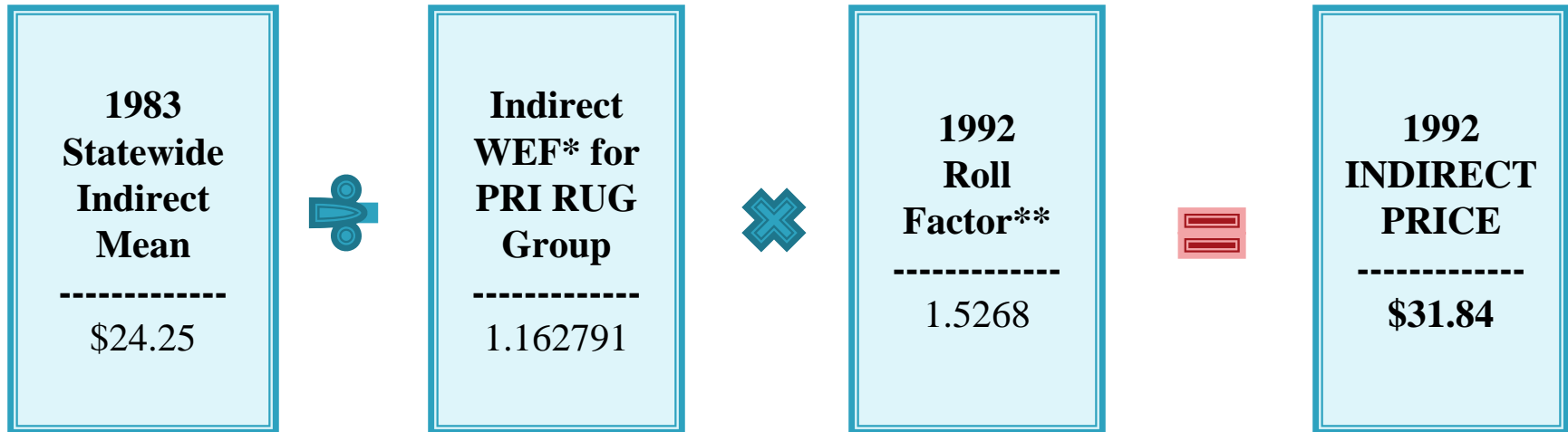


* WEF= Wage Equalization Factor

**Updates prices from 1983 base to 1992

Indirect Price Calculation ~

Example: Albany Region – CA RUG Category



*WEF= Wage Equalization Factor

**Updates prices from 1983 base to 1992

ALP Capital Pass Through

- ▶ 2003 legislation provided a capital pass through to ALPs that met the following criteria:
 - Must be nonprofit corporation
 - Must be freestanding ALP
 - Must have begun operation after 1998 and at least 95% of certified approved beds for ALP residents; and
 - Must be in county with a population no less than 280,000
- ▶ The capital pass through reimburses providers on a basis similar to the nursing home real property methodology (which reimburses interest and depreciation for approved capital construction costs).
- ▶ This provision currently applies to 3 ALPs.

Issues with ALP Reimbursement Methodology

- ▶ Lack of historical oversight of PRI Assessment tool (e.g., upcoding), recent audit efforts include:
 - IPRO
 - OMIG
 - CQC Report
- ▶ Lack of sufficient ALP operating cost data to establish reasonableness of ALP pricing methodology
- ▶ Lack of data about ALP residents being served (e.g., utilization by payer source)
- ▶ No formal process for certifying financial costs to reimburse capital pass through
- ▶ No established way to take into account SSI payments in ALP reimbursement.