

Nursing Home Work Group

November 5, 2009



Agenda

- ▶ Interim Discussions and Data Sharing
- ▶ Review status of April 1, 2009 Rebasing Rates
- ▶ Principles of Reimbursement
- ▶ Update of Regression Analysis
- ▶ Discussion of Regional Pricing Components
- ▶ Quality Measures
 - DOH Updated Distribution
 - JATF Quality Presentation
- ▶ Next Steps ~ Finalize Value Based Purchasing Model

Status of April 1, 2009 Rebasing Rates

- ▶ Per request of JATF, DOH is in the process of finalizing revising MDS 2002 Base Year case mix methodology to address an oversampling of Medicare MDSs
 - Methodology will be refined to identify MDS records payer and weighting the records by the portion of Medicare and all other days as reported in RHCF cost reports
- ▶ Target date for April 1 rates/initial January 1, 2010 rates December 7, 2009
 - April 1 rates required for calculation of UPL and CMS approval
- ▶ Base year MDS case mix data has been updated for 2007 Regional Pricing Model

Principles of Medicaid Reimbursement Reform

Medicaid rates should:

- ▶ Be transparent and administratively efficient; be predictable and facilitate timely payments
- ▶ Pay reasonably and adequately for quality care for Medicaid patients
- ▶ Encourage cost-effective care and promote efficiencies
- ▶ Include appropriate payment adjustments to reflect cost-influencing factors
- ▶ Encourage and reward quality care and promote care innovations
- ▶ Encourage care in the appropriate setting; assure adequacy of alternate settings
- ▶ Be updated periodically
- ▶ Comply with Federal Medicaid rules
- ▶ Reinforce health systems planning and advance state health care programs
- ▶ Be consistent with available resources

Update of Regression Analysis

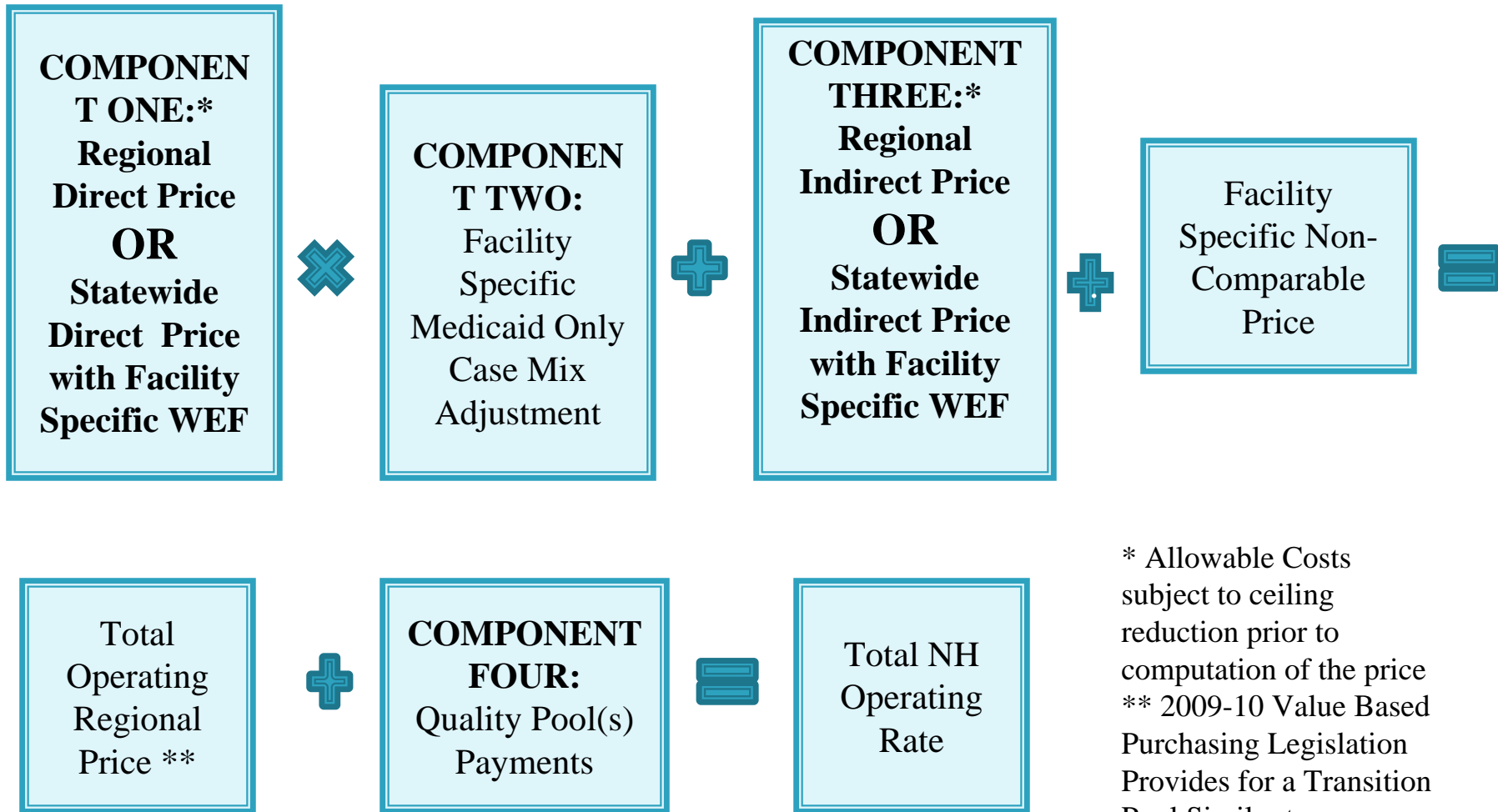
- ▶ Update of NYPRHM Regression Model Presented at October 13th Meeting
 - Updated Case Mix ~ New Methodology to address oversampling issue for 2007 Base Year was slightly better predictor of Direct Costs
- ▶ Model Results with different regions:

Model ~ Region	Direct R-Square	Indirect R-Square
NYPHRM Regions	68.1%	55.4%
WEF Regions	70.9%	59.2%

- ▶ Results of Models still suggest regions can be collapsed
 - NYPHRM: Collapse NYC, No. Metropolitan.; Western, Central, Rochester
 - WEF: Collapse NYC, Westchester; Syracuse, Albany, Erie, Elmira, Orange, Poughkeepsie, Rochester; and Western Rural, Binghamton, Glens Falls, Central Rural, Northern Rural, and Utica

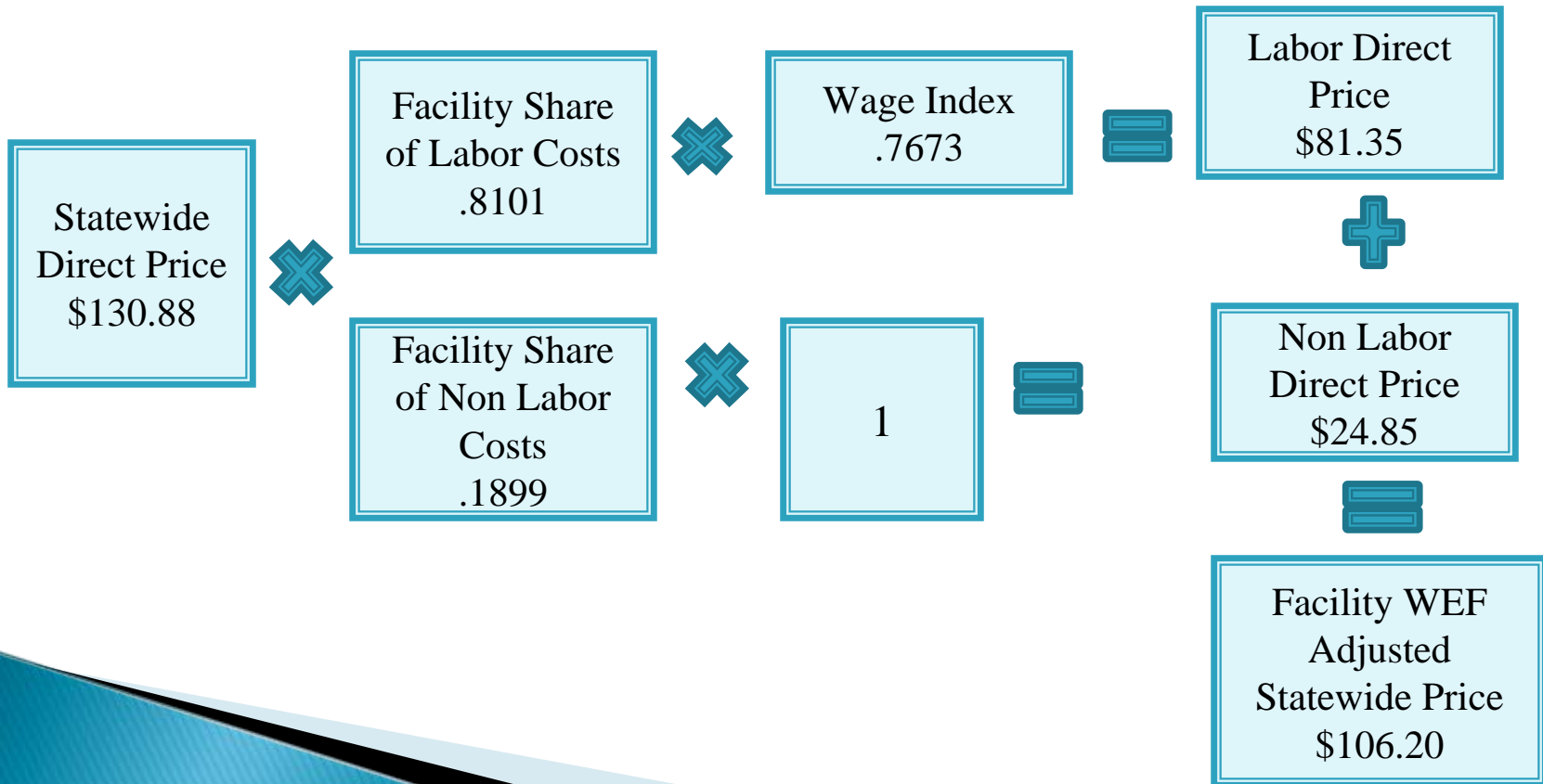
Overview of Value Based Purchasing Methodology

2007 Base Year



* Allowable Costs subject to ceiling reduction prior to computation of the price
 ** 2009-10 Value Based Purchasing Legislation Provides for a Transition Pool Similar to Executive Proposal

Facility Specific ~ Wage Equalization Factor Methodology



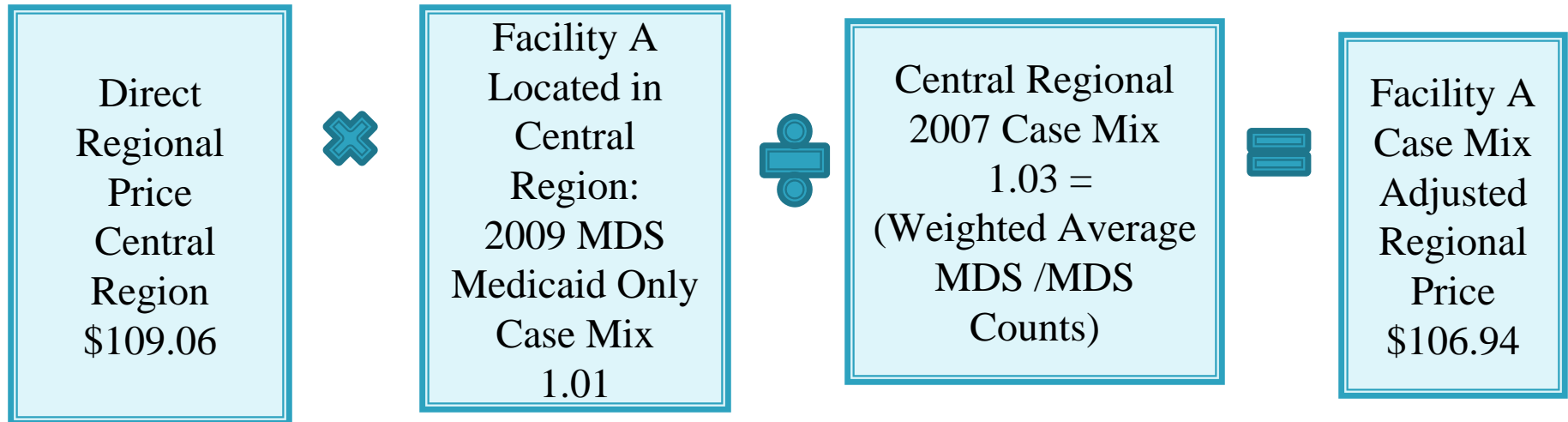
COMPONENT ONE: DIRECT Price by Region

NYPHRM Region*	NYPHRM Direct Price **	WEF Region*	WEF Region Direct Price**	Statewide Direct Price*
Central	\$109.06	Central Rural	\$88.10	\$130.88
	109.06	Binghamton	105.18	130.88
	109.06	Elmira	113.49	130.88
	109.06	Syracuse	120.06	130.88
Long Island	147.72	Long Island	147.70	130.88
New York City	140.21	New York City	140.19	130.88
Northeastern	117.33	Albany	119.56	130.88
	117.33	Glens Falls	101.05	130.88
No. Metropolitan	132.63	Orange	122.56	130.88
	132.63	Poughkeepsie	113.06	130.88
	132.63	Westchester	149.08	130.88
Rochester	118.51	Rochester	121.04	130.88
Utica	98.81	Utica	103.42	130.88
	98.81	Northern Rural	95.62	130.88
Western	116.55	Erie	116.83	130.88
	116.55	Western Rural	118.38	130.88

*Boundaries for WEF Regions may not precisely align with boundaries for NYPHRM regions.

**Price is Prior to Part B and Part D Offsets, assumes uniform ceiling reduction across regions.

Component Two: Facility Specific Case Mix Adjustment



$$\$109.06 * (1.01/1.03=.9806) = \$106.94$$

COMPONENT THREE: INDIRECT Price by Region

NYPHRM Region*	NYPHRM Indirect Price **	WEF Region*	WEF Region Indirect Price**	Statewide Indirect Price*
Central	\$55.57	Central Rural	\$53.63	\$63.58
	55.57	Binghamton	53.01	63.58
	55.57	Elmira	51.32	63.58
	55.57	Syracuse	58.69	63.58
Long Island	64.31	Long Island	64.31	63.58
New York City	68.41	New York City	68.40	63.58
Northeastern	57.23	Albany	57.14	63.58
	57.23	Glens Falls	54.27	63.58
No. Metropolitan	67.34	Orange	66.47	63.58
	67.34	Poughkeepsie	54.75	63.58
	67.34	Westchester	72.97	63.58
Rochester	56.94	Rochester	57.49	63.58
Utica	54.81	Utica	52.88	63.58
	54.81	Northern Rural	51.59	63.58
Western	56.56	Erie	57.14	63.58
	56.56	Western Rural	50.57	63.58

*Boundaries for WEF Regions may not precisely align with boundaries for NYPHRM regions.

**Price is Prior to Part B and Part D Offsets, assumes uniform ceiling reduction across regions.

COMPONENT FOUR:

Quality Incentive Pool ~ Short Term Approach

Staffing	Long Stay Measures MDS Resident Outcomes	Survey Scores
Total RN Hours + RN Agency Contracted Staff Hours/ Total Hours All Staff (RN, Agency Contract, LPN, Aides, Orderlies)	% of Residents Who Have/Had a Catheter Inserted and Left in their Bladder % of Residents with a Urinary Tract Infection % of Residents Who Lose Too Much Weight % of Residents Whose Need for Help with Daily Activities Has Increased % of Residents Whose Ability to Move About In and Around Their Room Got Worse	Re-Certification Survey Scores
Weight: 20%	Weight: Each Measure 12%, Category 60%	Weight: 20%
Source: Facility specific ASPEN (Automated Survey Processing Environment) data	Source: Facility specific Minimum Data Set (MDS)	Source: Facility Specific ASPEN data

Quality Pool

NYPHRM Region	Quality Pool (Using Last Year's Data)*
Central	\$2,468,344
Long Island	7,259,694
New York City	22,292,845
Northeastern	2,812,824
No. Metropolitan	7,474,581
Rochester	2,222,828
Utica	3,404,514
Western	2,063,560
Total	\$49,999,190

* Updates using latest available data in progress