

Nursing Home Work Group Update

April 15, 2010



Agenda

- ▶ Update on Rebasing Impacts
 - Regional and Financially Disadvantaged Impacts
- ▶ Discuss Update to Quality Measures
- ▶ Work Group Discussion of Regional Pricing Open Issues

Preliminary Update to Initial January 13, 2010 Rates

- ▶ The Initial January 13, 2010 rates, effective April 1, 2009:
 - Update the Base Cost Year to 2002
 - Enacted in 2006, effective January 1, 2009 and delayed to April 1, 2009 by 2009 Legislation
 - Implement Medicaid Only Case Mix Adjustments
 - Enacted in 2007
 - Eliminate the 2008 and 2009 Trend Factor Increases
 - Enacted in 2009

- ▶ The preliminary update reflects modifications made to the Initial Rates based on comments received from individual providers and Associations

- ▶ The final Published rates will reflect additional provider-specific modifications that are not reflected in this preliminary update

- ▶ CMS State Plan Update

Preliminary Update of Impact of Rebasing, Medicaid Only and Adjustment to \$210 Million

\$ Millions Impacts Compare to 3.31.09 Rate Paid Today	January 13, 2010 Initial Rates	Preliminary Updated Impact *
Rebasing	\$849	\$932
Medicaid Only	(\$474)	(\$479)
Net Impact of Rebasing and Medicaid only	\$375	\$453
Scale Back to \$210 Million	(\$165)	(\$243)
Rebasing Impact with Med only and Scale Back	\$210	\$210

*Preliminary Update does not include other facility specific changes

**Preliminary Update of Impact of
Adjustment to \$210 Million PLUS
the Elimination of 2008 and 2009 Trends, and the “Banking” Adjustment**

\$ Millions Impacts Compare to 3.31.09 Rate Paid Today	January 13, 2010 Initial Rates	Preliminary Updated Impact *
Rebasing Impact with Med only and Scale Back	\$210	\$210
Impact of Elimination of 2008 and 2009 Trend	(\$195)	(\$195)
Net Impact of Rebasing and Trend	\$15	\$15
Net Impact of Rebasing and Trend Elimination for Two Years (2009-10 and 2010-11)	\$30	\$30
Impact of “Banking Adjustment” for Trend Applicable to January, February, March of 2009**	(\$53)	(\$53)
Two Year Net Impact Including Banking Adjustment	(\$23)	(\$23)

*Preliminary Update does not include other facility specific changes

** “Banking Adjustment” (i.e., the reconciliation of 2009 trend from 2.1% to -1.4%) applicable to January, February, March of 2009

2 Year Impacts ~ Winners/Losers By Region ~ \$30 Million
Preliminary Update of Impact of
Rebasing, Medicaid Only, Adjustment to \$210 Million and
Elimination of 2008 and 2009 Trends (Effective April 1, 2009)

	Preliminary Update to Initial Rates*			
Region	Winner #	Impact Winners	Loser #	Impact Losers
Central	34	49,525,947	15	(14,463,744)
Long Island	32	43,751,809	45	(89,047,592)
New York City	60	135,156,118	118	(289,821,874)
Northeastern	40	61,220,095	15	(7,515,780)
No. Metro	62	71,246,896	33	(30,179,623)
Rochester	43	47,368,454	8	(5,823,033)
Utica	40	37,342,274	17	(9,222,902)
Western	51	48,665,602	27	(18,729,257)
Total	362	\$494,277,195	278	(\$464,803,805)

*Preliminary Update does not include other facility specific changes and does not include “Banking Adjustment” (i.e., the reconciliation of 2009 trend from 2.1% to -1.4%) applicable to January, February, March of 2009

2 Year Impacts ~ Winners/Losers By Sponsor ~ \$30 Million
Preliminary Update of Impact of
Rebasing, Medicaid Only, Adjustment to \$210 Million and
Elimination of 2008 and 2009 Trends (Effective April 1, 2009)

Preliminary Update to Initial Rates*				
Sponsor	Winner #	Impact Winners	Loser #	Impact Losers
Proprietary	159	179,632,332	158	(234,826,459)
Public	42	126,119,297	5	(18,740,285)
Voluntary	161	188,525,566	115	(211,237,061)
Grand Total	362	\$494,277,195	278	(\$464,803,805)

*Preliminary Update does not include other facility specific changes and does not include “Banking Adjustment” (i.e., the reconciliation of 2009 trend from 2.1% to -1.4%) applicable to January, February, March of 2009

Nursing Homes with Financial Issues

Nursing Homes with Financial Issues*	Number of Homes
NHs Eligible for 2009 Financially Disadvantaged Funding	71
NHs with 2008 Operating Losses that are 5% or More of Total Revenue and Greater than 50% Medicaid Utilization	63
Total	134

*List Excludes Public Facilities that are eligible for IGT/UPL Payments

2 Year Impacts Winners/Losers of Nursing Homes with Financial Issues

Preliminary Update of Impact of Rebasing, Medicaid Only, Adjustment to \$210 Million and Elimination of 2008 and 2009 Trends (Effective April 1, 2009)

Region Total # of Homes ()	#	Impact of Winners	#	Impact of Losers	Preliminary Net Impact of Updated Rebasing and Trend Elimination*
CENTRAL (49)	5	5,896,241	3	(2,686,737)	3,209,504
LONG ISLAND (77)	6	9,047,583	4	(3,448,962)	5,598,621
NEW YORK CITY (178)	15	37,308,547	27	(70,566,495)	(33,257,948)
NORTHEASTERN (55)	10	5,547,005	5	(2,112,578)	3,434,428
NO. METRO. (95)	19	16,355,537	8	(4,351,786)	12,003,750
ROCHESTER (51)	2	575,272	1	(632,647)	(57,375)
UTICA (57)	11	8,130,432	1	(310,152)	7,820,280
WESTERN (78)	14	9,730,589	3	(3,218,013)	6,512,576
Total (640)	82	\$92,591,206	52	(\$87,327,371)	\$5,263,836

*Preliminary Update does not include other facility specific changes and does not include "Banking Adjustment" (i.e., the reconciliation of 2009 trend from 2.1% to -1.4%) applicable to January, February, March of 2009

Quality Pool Update

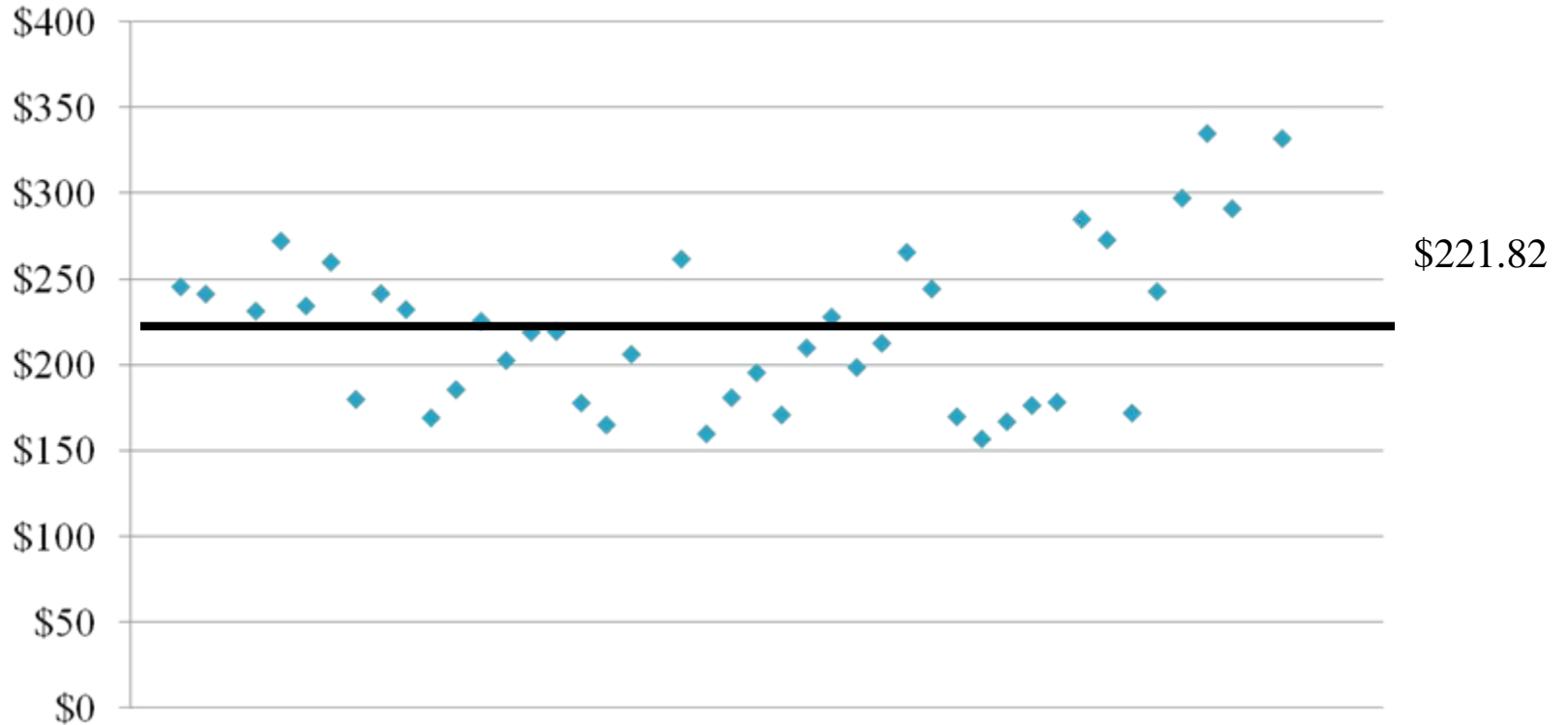
Update on Quality Pool Measures

	2009 – 10 Proposal	Revised Option/ Recommendation
Staffing 20 Points	<p>Total RN Hours + RN Agency Contracted Staff Hours/ Total Hours All Staff (RN, Agency Contract, LPN, Aides, Orderlies)</p> <p>Data source: ASPEN Data, Federal Fiscal Year 2009</p>	<p>Ratio of Actual to Expected Hours per resident per day</p> <p>Data Source: Staff time measurement Study. 95-97 Time Study of Expected Hours over Actual Hours updated December 2009 by CMS</p>
MDS Measures 60 Points (10 Points Per Measure)	<p>5 Measures</p> <p>% of Residents Who Have/Had a Catheter Inserted and Left in their Bladder</p> <p>% of Residents with a Urinary Tract Infection</p> <p>% of Residents Who Lose Too Much Weight</p> <p>% of Residents Whose Need for Help with Daily Activities Has Increased</p> <p>% of Residents Whose Ability to Move About In and Around Their Room Got Worse</p>	<p>Same as Option 1 + Add 6th Measure</p> <p>% of low risk Long- Stay residents who Lose Control of their Bowels or Bladder</p>
Survey 20 Points	Recertification Scores	Recertification Scores (Survey less Life Safety Code)

Costs Vs. Quality

Average Cost Per Day \$221.82
New York City

2007 Allowable Cost Per Day



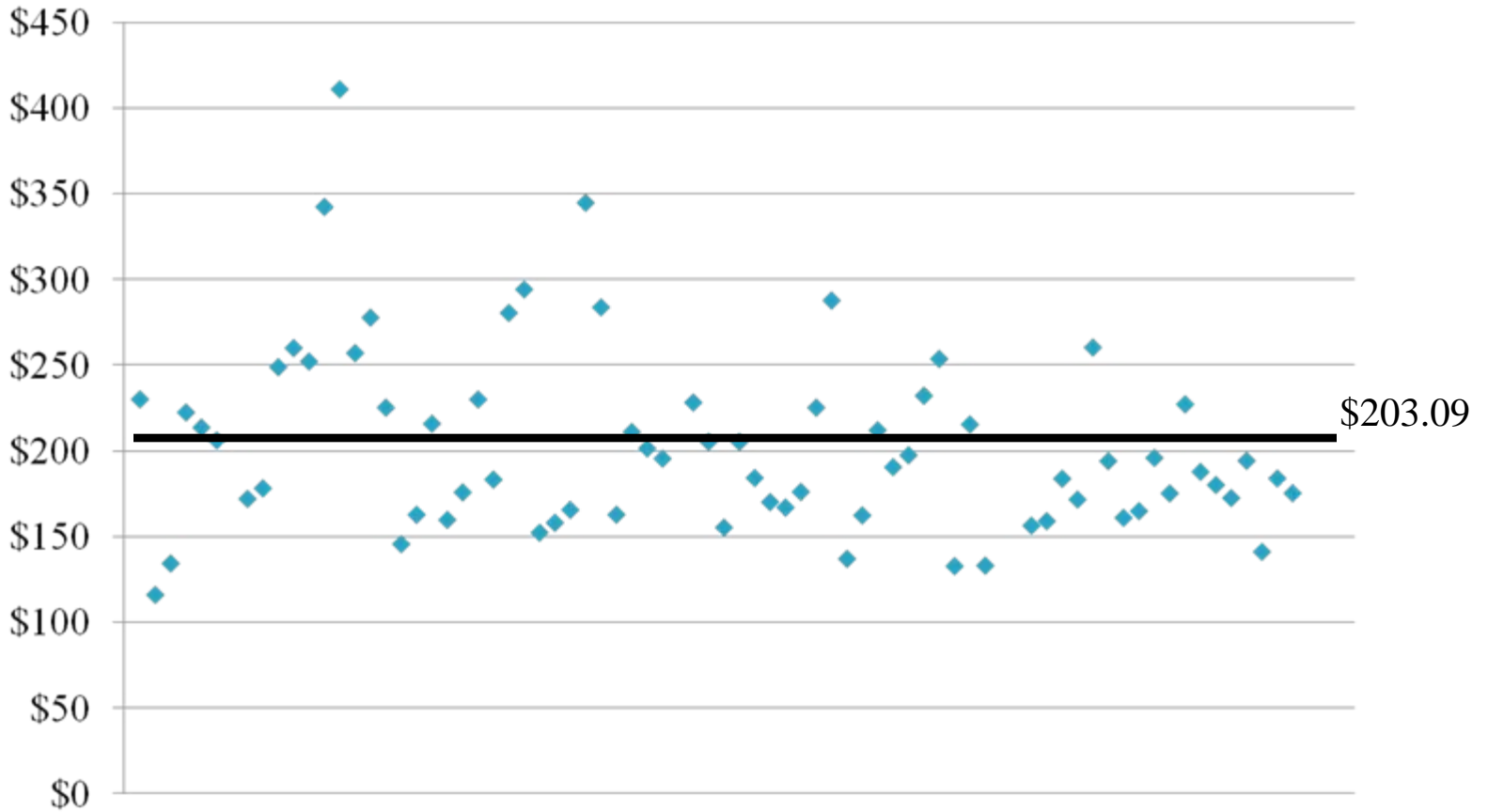
Quality Pool Winners

Costs Vs. Quality

Average Cost Per Day \$203.09

All Other Regions

2007 Allowable Cost Per Day



Quality Pool Winners

Distribution of Quality Payments Using Recommended Measures

Region	#	Distribution Recommended Quality Measures
CENTRAL	7	959,256
LONG ISLAND	10	4,375,097
NEW YORK CITY	46	27,280,610
NORTHEASTERN	10	3,611,557
NORTHERN METROPOLITAN	11	3,651,540
ROCHESTER	7	1,764,387
UTICA	11	2,597,759
WESTERN	20	5,786,296
Total	122	\$50,026,500

Regional Pricing Open Issues List

▶ Pricing Options

- Regional Price
 - NYPHRM Regions
 - WEF Regions
 - Other?
- Statewide Price
 - Facility-Specific Wage Equalization Factor
 - Similar to hospitals
 - Directly adjusts for labor cost differentials

▶ Transition Payments

- Amount
- Duration

▶ Quality Payments

▶ Bariatric and Dementia Add-On