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State/Territory Name: NY

State Plan Amendment (SPA) #: 23-0016

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850

Financial Management Group

June 15, 2023

Amir Bassiri
Medicaid Director
New York State Department of Health
99 Washington Ave – One Commerce Plaza Suite 1432
Albany, NY 12210

Reference: TN 23-0016

Dear Medicaid Director:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 23-0016. This amendment proposes to maintain the quality incentive for nursing homes into the 2022 rate year and will continue to recognize improvement in performances as an element in the program and provide for other minor modifications.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C.

This is to inform you that Medicaid State plan amendment NY-23-0016 is approved effective January 1, 2023. The CMS-179 and the amended plan page(s) are attached.

If you have any additional questions or need further assistance, please contact Kristina Mack at 617-565-1225 or Kristina.Mack-Webb@cms.hhs.gov.

Sincerely,

Rory Howe
Director

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER

2 3 — 0 0 1 6

2. STATE

N Y

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

(●) XIX   ( ) XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

January 1, 2023

5. FEDERAL STATUTE/REGULATION CITATION

§ 1905(a)(4)(A) Nursing Facility Services

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY _01/01/23-09/30/23_ $ 0
b. FFY _10/01/23-09/30/24_ $ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Att. 4.19-D Part I - Pages 110(d)(21), 110(d)(22), 110(d)(22.1), 110(d)(22.1)(a), 110(d)(22.2), 110(d)(22.3), 110(d)(23), 110(d)(23.1), 110(d)(24)

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*

Att. 4.19-D Part I - Pages 110(d)(21), 110(d)(22), 110(d)(22.1), 110(d)(22.2), 110(d)(22.3), 110(d)(23), 110(d)(23.1), 110(d)(24)

9. SUBJECT OF AMENDMENT

Nursing Home Quality Incentive Changes (NHQIC)

10. GOVERNOR'S REVIEW *(Check One)*

(●) GOVERNOR'S OFFICE REPORTED NO COMMENT
( ) COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
( ) NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
( ) OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL

▇▇▇▇▇▇

12. TYPED NAME

Amir Bassiri

13. TITLE

Medicaid Director

14. DATE SUBMITTED   March 30, 2023

15. RETURN TO

New York State Department of Health
Division of Finance and Rate Setting
99 Washington Ave – One Commerce Plaza
Suite 1432
Albany, NY 12210

FOR CMS USE ONLY

16. DATE RECEIVED

March 30, 2023

17. DATE APPROVED

June 15, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

January 1, 2023

19. SIGNATURE OF APPROVING OFFICIAL

▇▇▇▇▇▇

20. TYPED NAME OF APPROVING OFFICIAL

Rory Howe

21. TITLE OF APPROVING OFFICIAL

Director, Financial Management Group

22. REMARKS

1905(a)(4)(A) Nursing Facility Services

The New York State Nursing Home Quality Pool (NHQP) is an annual budget-neutral pool of $50 million dollars. The intent of the NHQP is to incentivize Medicaid-certified nursing facilities across New York State to improve the quality of care for their residents, and to reward facilities for quality based on their performance. The set of measures used to evaluate nursing homes are part of the Nursing Home Quality Initiative (NHQI). The performances of facilities in the NHQI determine the distribution of the funds in the NHQP.

NHQI is described below using MDS (Minimum Data Set) year and NHQI (Nursing Home Quality Initiative) year. MDS year refers to the year the assessment data is collected. NHQI year refers to the year when the nursing home performance is evaluated. For example, if the NHQI year is 2022, then the MDS year is 2021. For NHQI 2022, the Commissioner will calculate a score and quintile ranking based on data from the MDS year 2021 (January 1 of the MDS year through December 31 of the MDS year), for each non-specialty facility. The score will be calculated based on measurement components comprised of Quality, Compliance, and Efficiency Measures. These measurement components and their resulting score and quintile ranking will be referred to as the Nursing Home Quality Initiative. From the NHQI, the Commissioner will exclude specialty facilities consisting of non-Medicaid facilities, Special Focus Facilities as designated by the Centers for Medicare and Medicaid Services (CMS), Continuing Care Retirement Communities, Transitional Care Units, specialty facilities, and specialty units within facilities. Specialty facilities and specialty units will include AIDS facilities or discrete AIDS units within facilities, facilities or discrete units within facilities for residents receiving care in a long-term inpatient rehabilitation program for traumatic brain injured persons, facilities or discrete units within facilities that provide specialized programs for residents requiring behavioral interventions, facilities or discrete units within facilities for long-term ventilator dependent residents, facilities or discrete units within facilities that provide services solely to children, and neurodegenerative facilities or discrete neurodegenerative units within facilities. The score for each such non-specialty facility will be calculated using the following Quality, Compliance, and Efficiency Measures. The measures in this NHQI are listed below:

	Quality Measures	Measure Steward
1	Percent of Long Stay Residents Who Received the Pneumococcal Vaccine	CMS
2	Percent of Long Stay Residents Who Received the Seasonal Influenza Vaccine	CMS
3	Percent of Long Stay Residents Experiencing One or More Falls with Major Injury	CMS
4	Percent of Low Risk Long Stay Residents Who Lose Control of Their Bowels or Bladder	CMS
5	Percent of Long Stay High Risk Residents with Pressure Ulcers (As Risk Adjusted by the Commissioner)	CMS
6	Percent of Long Stay Residents Who have Depressive Symptoms	CMS
7	Percent of Long Stay Residents Who Lose Too Much Weight (As Risk Adjusted by the Commissioner)	CMS

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8.	Percent of Long Stay Antipsychotic Use in Persons with Dementia	Pharmacy Quality Alliance (PQA)
9.	Percent of Long Stay Residents Whose Need for Help with Daily Activities Has Increased	CMS
10.	Percent of Long Stay Residents with a Urinary Tract Infection	CMS
11.	Percent of Employees Vaccinated for Influenza	NYS DOH
12.	Percent of Contract/Agency Staff Used	NYS DOH
13.	Rate of Staffing Hours per Resident per Day	NYS DOH
14.	Total Nursing Staff Turnover (By Region)	CMS
15.	Percentage of Current Residents Up to Date with COVID-19 Vaccines with No Medical Contraindications	CMS
	Compliance Measures	
16.	CMS Five-Star Quality Rating for Health Inspections as of April 1 of the NHQI year (By Region)	CMS
17.	Timely Submission of Employee Influenza Immunization Data for the September 1 of the MDS year - March 31 of the NHQI year Influenza Season by the deadline	NYS DOH
	Efficiency Measure	
18.	Rate of Potentially Avoidable Hospitalizations for Long Stay Residents January 1 of the MDS year – December 31 of the MDS year (As Risk Adjusted by the Commissioner)	NYS DOH

Quality Component:

The maximum points a facility will receive for the Quality Component is 75. The applicable percentages or ratings for each of the 15 quality measures will be determined for each facility. The quality measures will be awarded points based on quintile values or threshold values. For quintile-based measures, the measures will be ranked and grouped by quintile with points awarded as follows:

Scoring for quintile-based Quality Measures	
Quintile	**Points**
1st Quintile	5
2nd Quintile	3
3rd Quintile	1
4th Quintile	0
5th Quintile	0

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110(d)(22.1)

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For threshold-based measures, the points will be awarded based on threshold values. The threshold-based measures are:

- Percent of Contract/Agency Staff Used: facilities will be awarded five points if the rate is less than 10%, and zero points if the rate is 10% or higher.
- Percent of Long Stay Residents Experiencing One or More Falls with Major Injury: facilities will be awarded five points if the rate is equal to or less than 5%, and zero points if the rate is greater than 5%.
- Percent of Long Stay Residents with a Urinary Tract Infection: facilities will be awarded five points if the rate is equal to or less than 5%, and zero points if the rate is greater than 5%.

Percent of Employees Vaccinated for Influenza:

The scoring methodology for this measure is changed from threshold-based to quintile-based.

Rate of Staffing Hours per Resident per Day

NYS DOH will calculate an annualized adjusted rate of staffing hours per resident per day using staffing information downloaded from the Centers for Medicare & Medicaid Services (CMS) appropriate for that year. The staffing information is based on Payroll Based Journal Public Use Files (PBJ PUFs). PBJ PUFs are public data sets prepared by the CMS. For this measure, staffs are defined as RNs, LPNs, and Aides. The rate of reported staffing hours and the rate of case-mix staffing hours will be taken from the staffing information and the adjusted rate of staffing hours will be calculated using the formula below.

Rate Adjusted = (Rate Reported/Rate Case-Mix) * Statewide average

Total Nursing Staff Turnover (by region)

Total nursing staff turnover is defined as the percentage of nursing staff that left the nursing home over a twelve-month period.

The turnover measure is derived based on data from the CMS Payroll-Based Journal (PBJ) System. Using data submitted through PBJ, annual turnover measure for total nurses (RNs, licensed practical/licensed vocational nurses (LPNs), and nurse aides) are constructed by CMS. The PBJ job codes included in the total nursing staff turnover measure are as follows: RN director of nursing (job code 5), RNs with administrative duties (job code 6), RNs (job code 7), LPNs with administrative duties (job code 8), LPNs (job code 9), certified nurse aides (job code 10), aides in training (job code 11), and medication aides/technicians (job code 12). Please refer to Nursing Home Five-Star Quality Rating System: Technical Users' Guide for additional measure specification details.

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Total Nursing Staff Turnover (by region) continued

The annual turnover percentages for all the NHQI facilities are downloaded from CMS for the MDS year. These percentages are used to calculate quintile cut points for Metropolitan (MARO) and Non-Metropolitan (Non-MARO) region in the New York state. Non-Metropolitan region include Western New York, Capital District, and Central New York. Nursing homes will be given points for this measure based on their performance in that region.

Metropolitan Area Regional Offices (MARO): Bronx, Dutchess, Kings, Nassau, New York, Orange, Putnam, Queens, Richmond, Rockland, Suffolk, Sullivan, Ulster, and Westchester.

Non-Metropolitan Area Regional Offices (Non-MARO):
Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Columbia, Cortland, Delaware, Erie, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison, Monroe, Montgomery, Niagara, Oneida, Onondaga, Ontario, Orleans, Oswego, Otsego, Rensselaer, Saint Lawrence, Saratoga, Schenectady, Schoharie, Schuyler, Seneca, Steuben, Tioga, Tompkins, Warren, Washington, Wayne, Wyoming, and Yates.

Percentage of Current Residents Up to Date with COVID-19 Vaccines with No Medical Contraindications

The vaccination rate for this measure is calculated as follows: (Number of Residents Staying in this Facility for At Least 1 Day This Week Up to Date with COVID-19 Vaccines / (Number of All Residents Staying in this Facility for At Least 1 Day This Week - Number of All Residents Staying in this Facility for At Least 1 Day This Week with a Medical Contraindication to a COVID-19 Vaccine at Any Time) * 100.

The weekly vaccination rates for this measure are downloaded from the CMS's COVID-19 Nursing Home data website. The Nursing Home COVID-19 Public File includes data reported by nursing homes to the CDC's National Healthcare Safety Network (NHSN) Long Term Care Facility (LTCF) COVID-19 Module: Surveillance Reporting Pathways and COVID-19 Vaccinations.
One of the weekly vaccination rates during October to December 2022 will be used. The rates will be used to calculate quintile cut points. Nursing homes will be given points for this measure based on their performance.

Awarding for Improvement
Nursing homes will be awarded improvement points from previous years' performance in selected measures in the Quality Component only. One improvement point will be awarded for a nursing home that improves in its quintile for a specific quality measure, compared to its quintile in the previous year for that quality measure. Nursing homes that obtain the top quintile in a quality measure will not receive an improvement point because maximum points per measure cannot exceed five. The threshold-based quality measures below will not be eligible to receive improvement points:
- Percent of Long Stay Residents Experiencing One or More Falls with Major Injury
- Percent of Long Stay Residents with a Urinary Tract Infection

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- Percent of Contract/Agency Staff Used

The quintile-based quality measures that are eligible for improvement points are listed below:

- Percent of Long Stay Residents Who Received the Pneumococcal Vaccine
- Percent of Long Stay Residents Who Received the Seasonal Influenza Vaccine
- Percent of Long Stay Low Risk Residents Who Lose Control of Their Bowels or Bladder
- Percent of Long Stay Antipsychotic Use in Persons with Dementia
- Percent of Long Stay Residents Whose Need for Help with Daily Activities Has Increased
- Rate of Staffing Hours Per Resident Per Day

The grid below illustrates the method of awarding improvement points.

		MDS year Performance				
	Quintiles	1 (best)	2	3	4	5
NHQI year Performance	1 (best)	5	5	5	5	5
	2	3	3	4	4	4
	3	1	1	1	2	2
	4	0	0	0	0	1
	5	0	0	0	0	0

For example, if MDS year performance is in the third quintile, and NHQI year performance is in the second quintile, the facility will receive four points for the measure. This is three points for attaining the second quintile and one point for improvement from the previous year's third quintile.

Risk Adjustment of Quality Measures

The following quality measures will be risk adjusted using the following covariates as reported in the MDS 3.0 data to account for the impact of individual risk factors:

Percent of Long Stay High Risk Residents with Pressure Ulcers: The covariates include gender, age, BMI, prognosis of less than six months of life expected, diabetes, heart failure, deep vein thrombosis, anemia, renal failure, hip fracture, bowel incontinence, cancer, paraplegia, and quadriplegia

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110(d)(22.3)

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- Percent of Long Stay Residents Who Lose Too Much Weight: The covariates include age, hospice care, cancer, renal failure, prognosis of less than six months of life expected.

For these two measures the risk adjusted methodology includes the calculation of the observed rate; that is the facility's numerator-compliant population divided by the facility's denominator.

The expected rate is the rate the facility would have had if the facility's patient mix was identical to the patient mix of the state. The expected rate is determined through the risk-adjusted model and follows the CMS methodology found in the MDS 3.0 Quality Measures User's Manual, Appendix A-1.

The facility-specific, risk-adjusted rate is the ratio of observed to expected measure rates multiplied by the overall statewide measure rate

Reduction of Points Base: When a quality measure is not available for a nursing home, the number of points the measure is worth will be reduced from the NHQI maximum base points. The nursing home's total score will be the sum of its points divided by the base. This reduction can happen in the following scenario:

- When a quality measure has a denominator of less than 30

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110(d)(23)

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Compliance Component: The maximum points a facility will receive for the Compliance Component is 15 points. Points will be awarded as follows:

Scoring for Compliance Measures	
CMS Five-Star Quality Rating for Health Inspections (By Region)	**Points**
5 Stars	10
4 Stars	7
3 Stars	4
2 Stars	2
1 Star	0
Timely Submission of Employee Influenza Immunization Data	5 (Facilities that fail to submit timely influenza data by the deadline will receive zero points)

CMS Five-Star Quality Rating for Health Inspections
The CMS Five-Star Quality Rating for Health Inspections as of April 1 of the NHQI year will be adjusted by region. This is not a risk adjustment. For eligible New York State nursing homes, the health inspection scores from CMS will be stratified by region. Cut points for health inspection scores within each region will be calculated using the CMS 10-70-20% distribution method. Per CMS' methodology, the top 10% of nursing homes receive five stars. The middle 70% receive four, three, or two stars, with an equal percentage (~23.33%) receiving four, three, or two stars. The bottom 20% receive one star. Each nursing home will be awarded a star rating based on the health inspection score cut points specific to its region. Regions include the Metropolitan Area (MARO), Western New York (WRO), Capital District (CDRO), and Central New York (CNYRO). Regions are defined by the New York State Health Facilities Information System (NYS HFIS). The counties within each region are shown below.

Metropolitan Area Regional Offices (MARO): Bronx, Dutchess, Kings, Nassau, New York, Orange, Putnam, Queens, Richmond, Rockland, Suffolk, Sullivan, Ulster, and Westchester.

Central New York Regional Offices (CNYRO): Broome, Cayuga, Chenango, Cortland, Herkimer, Jefferson, Lewis, Madison, Oneida, Onondaga, Oswego, Saint Lawrence, Tioga, and Tompkins.

Capital District Regional Offices (CDRO): Albany, Clinton, Columbia, Delaware, Essex, Franklin, Fulton, Greene, Hamilton, Montgomery, Otsego, Rensselaer, Saratoga, Schenectady, Schoharie, Warren, and Washington.

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Western New York Regional Offices (WRO): Allegany, Cattaraugus, Chautauqua, Chemung, Erie, Genesee, Livingston, Monroe, Niagara, Ontario, Orleans, Schuyler, Seneca, Steuben, Wayne, Wyoming, and Yates.

Reduction of Points Base: When a compliance measure is not available for a nursing home, the number of points the measure is worth will be reduced from the NHQI maximum base points. The nursing home's total score will be the sum of its points divided by the base. This reduction can happen when a facility does not have a CMS Five-Star Quality Rating for Health Inspections.

Efficiency Component:

The maximum points a facility may receive for the Efficiency Component is 10 points. The rates of potentially avoidable hospitalizations will be determined for each facility and each such rate will be ranked and grouped by quintile with points awarded as follows:

Scoring for Efficiency Measure	
Quintile	Points
1st Quintile	10
2nd Quintile	8
3rd Quintile	6
4th Quintile	2
5th Quintile	0

The Efficiency Measure will be risk adjusted for certain conditions chosen from a pool of covariates as reported in the MDS 3.0 data to account for the impact of individual risk factors: gender, age, shortness of breath, falls with injury, pressure ulcer, activities of daily living, renal disease, cognitive impairment, dementia, diabetes, parenteral nutrition, rheumatologic disease, gastrointestinal disease, multi-drug-resistant infection, indwelling catheter, wound infection, deep vein thrombosis, cancer, feeding tube, coronary artery disease, liver disease, paralysis, peripheral vascular disease, and malnutrition.

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A potentially avoidable hospitalization is found by matching a discharge assessment in the MDS 3.0 data to its hospital record in SPARCS. The following primary ICD-10 diagnoses on the SPARCS hospital record are potentially avoidable:

Potentially Avoidable Hospitalization Condition	Source of ICD-10-CM Codes
Respiratory infection	Default CCSR CATEGORY DESCRIPTION IP * • "Acute and chronic tonsillitis" • "Acute bronchitis" • "Influenza" • "Other specified upper respiratory infections" • "Pneumonia (except that caused by tuberculosis)" • "Sinusitis"
Sepsis	CCSR CATEGORY 1 DESCRIPTION "Septicemia" *
Urinary tract infection	CCSR CATEGORY 1 DESCRIPTION "Urinary tract infections" *
Electrolyte imbalance	CCSR CATEGORY 1 DESCRIPTION "Fluid and Electrolyte Disorders" *
Heart failure	PQI 08 Heart Failure Admission Rate [†]
Anemia	CCSR CATEGORY 1 DESCRIPTION containing the text string "anemia" *

* From Healthcare Cost and Utilization Project (HCUP) Clinical Classifications Software Refined (CCSR) files found at https://www.hcup-us.ahrq.gov/tools_software.jsp (CCSR for ICD-10-CM Diagnoses Tool, v2021.2 released 3/5/21).
ICD 10 codes with 'Default CCSR CATEGORY DESCRIPTION IP' as Unacceptable PDX are excluded.
[†] Agency for Healthcare Research and Quality (AHRQ) Prevention Quality Indicators (PQI) https://www.qualityindicators.ahrq.gov/Downloads/Modules/PQI/V2021/TechSpecs/PQI_08_Heart_Failure_Admission_Rate.pdf

Reduction of Points Base: When the number of long stay residents that contribute to the denominator of the potentially avoidable hospitalization measure is less than 30, the number of points the measure is worth will be reduced from the base of 100 maximum NHQI points. The nursing home's total score will be the sum of its points divided by the base.

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