

# Final Nursing Home Statewide Pricing Model Webinar

December 20, 2011  
New York State Department of Health

## Agenda

- ▶ Goals of Methodology
- ▶ Enacted 2011-2012 Budget – Statutory Framework
- ▶ Components of Statewide Pricing Methodology
- ▶ Assumptions of Nursing Home Statewide Rate Estimates
- ▶ Statewide Nursing Home Impacts
- ▶ Specialty Impacts
- ▶ Quality Pool
- ▶ Transition to Managed Care
- ▶ Alternative Proposal

## Goals of Pricing Methodology

- ▶ Fair and equitable reimbursement system that rewards efficiencies and incentivizes quality outcomes
- ▶ Provides good pricing foundation for transition to Managed Care
  - Mandatory enrollment in managed long-term care for dual-eligibles will begin April 2012
  - Nursing Home benefit will be added to the “mainstream” managed care benefit in October 2012
- ▶ Provides stability, predictability, and transparency for NHs
  - Include a transition that provides smooth glide path from current rates to pricing and eventually to Managed Care
- ▶ Components can easily be updated
- ▶ Minimize administrative burdens for providers and the Department
  - Minimize risk from future legal challenge
    - Department has been sued roughly 40 times a year over the past decade
    - Rebasing rates have resulted in 6 recently filed cases that involve roughly 240 facilities
    - Base Price Litigation
  - Minimize appeals and audit risk for providers

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## Statutory Framework for Developing Statewide Pricing Methodology

- ▶ Enacted 2011-12 Budget authorized framework for pricing methodology
- ▶ Effective October 1, 2011, but no later than January 1, 2012
- ▶ Operating components are Statewide Direct, Statewide Indirect & Facility Specific Non Comparable
- ▶ Direct and Indirect Components adjusted by a wage equalization factor (WEF) and other cost differential factors
- ▶ A Medicaid only case mix adjustment will be applied to direct component
- ▶ Specialty facilities will receive their 1/1/2009 non capital rate
- ▶ Transition period shall not be less than four years
- ▶ Includes provisions for quality improvements in Nursing Homes

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## Components of Nursing Home Pricing Model

Components and Data	Data
<b>Effective Date</b>	January 1, 2012
<b>Statewide Prices for Direct and Indirect Components</b>	
Direct and Indirect Prices are a blend of :	
50% of Statewide price PLUS 50% Peer Group Price	
<div style="display: flex; align-items: center; justify-content: center; gap: 10px;"> <div style="border: 1px solid black; padding: 5px; text-align: center;">50% Statewide Price</div> <span>+</span> <div style="border: 1px solid black; padding: 5px; text-align: center;">50% Peer Group Price</div> <span>=</span> <div style="border: 1px solid black; padding: 5px; text-align: center;">Final Price</div> </div>	
<b>Peer Groups</b>	
<ul style="list-style-type: none"> <li>•Hospital Based/300+ Bed Peer Group (beds will be determined by adding together the specialty and non-specialty beds of the facility)</li> <li>•All Other Facilities Peer Group (Excluding Hospital Based /300+ Bed )</li> </ul>	
<b>Example: Hospital Based Facility</b>	
50% Direct Statewide Price (\$119.02* .50) = \$59.51	
50% Direct Hospital Based/300+ Bed Peer Group Price (\$132.17* .50) = \$66.09	
<b>Total Direct Price = \$125.60</b>	
	2007 Allowable Costs

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## Components of Nursing Home Pricing Model

Component and Data	Data
<b>Wage Equalization Factor (WEF) Adjustments</b> (Direct and Indirect Prices are WEF Adjusted)	“Clinical Definition” of WEF (RN, LPN, Aides, Orderlies, Therapists and Therapist Aides)
<b>Example: Blended WEF Adjustment:</b> 50% Facility Specific + 50% Regional (based on 16 WEF Regions)	2009 Clinical Salaries and Fringes, Hours Paid, Total Operating Costs and Total Salaries and Fringes
<b>Medicaid Only Case Mix Adjustments</b> 53 RUGs Group Midpoint Methodology	January 1, 2011 Case Mix Data Subsequent Prospective Case Mix Adjustments Made in July and January Examples: •July 2012 case mix adjustment would use January 1, 2012 case mix data, •January 1, 2013 case mix adjustment would use July 2012 case mix data

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## Components of Nursing Home Pricing Model

Component	Data
<b>Per Diem Add-On's</b> Dementia (\$8), Bariatric (\$17) , and TBI (\$36)  Document Expenditures and Monitor Outcomes	Rates use MA only counts from January 1, 2011 case mix  Counts updated with Case Mix Adjustments
<b>Non- Comparable Costs</b> Facility-Specific	2007 Allowable Costs
<b>Transition</b> Pricing Fully Implemented in Year 6 (2017)	5-Year phase in with annual incremental gain/loss cap  2012: 1.75% 2013: 2.5% 2014: 5% 2015: 7.5% 2016: 10% 2017: Fully Implemented

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## Components of Nursing Home Pricing Model

Component	Data
<b>Quality Incentives</b> Year 1: \$50 Million for Reporting Year 2: \$50 Million for Performance *Future Year increases to be determined as measures are adopted and refined	<u>Year 1 (2012)</u> Establish Work Group to Develop Quality Indicators and Benchmarks Pay for Reporting  <u>Year 2 and thereafter (Beginning 2013)</u> Allocate Quality Pool Using Established Indicators and Benchmarks
<b>"From Rate" to Calculate Impacts</b>	July 7, 2011 Rebasing Rates (Excludes Mitigation Payments)
<b>Rates for Specialty Facilities</b>	Paid January 1, 2009 Rate with 2008 and 2009 Trends
<b>Total Spending</b> \$6.170 billion (Reflects \$210 million cap)	SNF: \$5.746 billion Specialties: \$428 million

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## Major Assumptions Underlying Rate Estimates

- ▶ Impacts compare estimated annual Medicaid revenue for each phase-in year (including full implementation in year 6) to the estimated annual revenue based on the July 7, 2011 rebased Medicaid rate which includes Medicaid Part D carve out
- ▶ Annual Medicaid revenue is calculated by multiplying the operating rate with add-ons and adjustments (i.e., WEF and Medicaid only case mix) by a facility's reported 2010 Medicaid days or latest reported days
  - The appropriate rate is multiplied by the corresponding reported Medicaid days to arrive at the impact
- ▶ Impacts reflect changes in operating rate only
  - Pricing system does not change the capital reimbursement methodology
- ▶ Direct and indirect prices are based on statewide and peer-group average 2007 allowable costs;
  - Direct and indirect costs are adjusted down to ensure estimated statewide spending meets target spending (i.e., 2008 spending plus \$210 million)
- ▶ Non-comparable component is based on facility-specific 2007 costs and are not adjusted down

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## Major Assumptions Underlying Rate Estimates

- ▶ Regional and facility-specific WEFs are based on 2009 reported data for RN, LPN, Aide, Therapists and Therapy Aides. Contract staff is not included. (i.e., same staff positions as used in the rebasing methodology)
- ▶ Case mix adjustment compares statewide and peer-group average base year (2007) to all payer CMI to facility-specific Medicaid-only CMI
- ▶ Rates effective January 1, 2012 are adjusted by January 1, 2011 case mix
  - Future case mix adjustments will be made in January and July and will reflect case mix data from previous period (July 2012 case mix adjustment will use January 2012 case mix data)
- ▶ 2007 base year CMI is calculated using midpoint methodology and 2007 RUG-III weights
- ▶ Estimated impacts include value of per diem bariatric (\$17), dementia (\$8) and TBI (\$36) add-ons, based on January 2011 reported utilization;
  - The value of these add-ons is outside of annual pricing gain/loss limits (i.e., a home may experience a smaller reduction or a larger gain than the phase-in constraint percentage (e.g., -2% instead of -2.5%) when add-ons are factored in)

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### Example of Gain Loss Cap

Example Year 1: Gain/ Loss Cap 1.75% Statewide Price \$100				
Examples	Current Rate (7/7/11)	1.75% +/- Change	1.75% Gain Loss Cap	Result
Facility A	\$125	\$2.19	\$122.81	Loser Above Price
Facility B	\$101	\$1.79	\$100	Loser At Price
Facility C	\$90	\$1.58	\$91.58	Winner Below Price
Facility D	\$99	\$1.73	\$100	Winner At Price

Transition Year	Gain/ Loss Cap From 7/7/11 Rate
Year 1 (2012)	1.75%
Year 2 (2013)	2.5%
Year 3 (2014)	5.0%
Year 4 (2015)	7.5%
Year 5 (2016)	10.0%
Year 6 (2017)	Full Implementation

### Nursing Home Statewide Pricing Summary

Statewide Average Costs (Total 2007 Allowable Costs / Total 2007 Patient Days)	Direct (Part D Eligible)	Direct (Part B & D Eligible)	Indirect
300 + Beds & Hospital Based Average Prices	132.17	130.43	69.23
All Other Facilities Average Prices	111.71	110.14	54.55
Total Statewide Average Prices	119.02	117.39	59.80
<b>Final 300 + Beds &amp; Hospital Based Price (50% 300+ &amp; HB / 50% Statewide)</b>	<b>\$125.59</b>	<b>\$123.91</b>	<b>\$64.52</b>
<b>Final All Other Price (50% All Other / 50% Statewide)</b>	<b>\$ 115.37</b>	<b>\$113.76</b>	<b>\$57.18</b>

Statewide Base Year Case Mix	2007 Statewide Case Mix
300 + Beds & Hospital Based Average Case Mix	0.9091
All Other Facilities Average Case Mix	0.9072
Total Statewide Average Case Mix	0.9079
<b>Final 300 + Beds &amp; Hospital Based Case Mix (50% 300+ &amp; HB / 50% Statewide)</b>	<b>0.9085</b>
<b>Final All Other Case Mix (50% All Other / 50% Statewide)</b>	<b>0.9076</b>

Statewide prices have not been adjusted for reduction of quality pool funds

## Nursing Home Statewide Price Calculation

Final Calculation of Price (Example of Facility A – Hospital Based Nursing Home)	Direct (Part D Eligible)	Direct (Part B & D Eligible)	Indirect	Facility Specific Non Comp
<b>Statewide Prices</b>	\$125.59	\$123.91	\$64.52	
<b>WEF Adjustment</b> – Blended Clinical WEF (50% Regional / 50% Facility Specific)	114.62%	114.62%	108.34%	
<b>Case Mix Adjustment</b> (2011 MA Only/ 2007 All Payer Case Mix) (.9900/.9085)=108.97%	108.97%	108.97%		
<b>Final Adjusted Prices</b> (WEF & Case Mix Adjusted)	<b>\$156.87</b>	<b>\$154.77</b>	<b>\$69.90</b>	<b>\$25.6</b>
<b>Total Price (Direct + Indirect + Non Comp)</b>	<b>\$252.37</b>	<b>\$250.27</b>		
Dementia, Bariatric & TBI ADD-ON	1.66	1.66		
<b>Final Nursing Home Operating Rate</b>	<b>\$254.03</b>	<b>\$251.93</b>		

*Statewide prices have not been adjusted for reduction of quality pool funds*

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## Statewide Price, Blended WEF, Blended Price, Six Year Phase-In

(Impacts from 7.7.11 Rate)

Five Year Phase-In	Year 1 (2012) 1.75% Gain Loss Cap		Year 6 (2017) Full Implementation	
	Impact	#	Impact	#
Winners	24,310,811	230	202,723,355	344
Losers	(33,100,527)	387	(211,513,083)	273
<b>Net Impact*</b>	<b>(\$8,789,716)</b>	<b>617</b>	<b>(\$8,789,727)</b>	<b>617</b>

\*\$8 million supports spending attributable to the 1.1.09 Specialty Rates

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**Statewide Price, Blended WEF, Blended Price, Six Year Phase-In**  
**Year 1 and Year 6 (Full Implementation)**  
 (Impacts from 7.7.11 Rate)

Region	Year 1 (2012) 1.75% Gain Loss Cap	Year 6 (2017) Full Implementation
CENTRAL (49)	1,537,516	4,673,760
LONG ISLAND (77)	(3,522,206)	(7,290,490)
NEW YORK CITY (167)	(12,875,308)	(55,511,302)
NORTHEASTERN (55)	1,674,365	13,177,785
NORTHERN METROPOLITAN (91)	(983,411)	1,298,420
ROCHESTER (51)	1,209,923	1,091,804
UTICA (52)	2,308,598	9,576,058
WESTERN (75)	1,860,806	24,194,240
<b>Total (617)</b>	<b>(\$8,789,716)</b>	<b>(\$8,789,727)</b>

Sponsor	Year 1 (2012) 1.75% Gain Loss Cap	Year 6 (2017) Full Implementation
Proprietary (314)	89,860	41,484,401
Voluntary (256)	(7,669,197)	(38,530,273)
Public* (47)	(1,210,380)	(11,743,855)
<b>Total (617)</b>	<b>(\$8,789,716)</b>	<b>(\$8,789,727)</b>

\*Public Facilities are eligible for IGT/UPL Payments.

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**Statewide Price, Blended WEF, Blended Price, Six Year Phase-In**  
**Year 1: 1.75% Gain Loss Cap**  
 (Impacts from 7.7.11 Rate)

Region	# Losers	Year 1 (2012) Loser Impact	# Winners	Year 1 (2012) Winner Impact	# Total	Year 1 (2012) Total Impact
CENTRAL	26	(725,184)	23	2,262,701	49	1,537,516
LONG ISLAND	67	(6,183,266)	10	2,661,060	77	(3,522,206)
NEW YORK CITY	133	(19,657,524)	34	6,782,216	167	(12,875,308)
NORTHEASTERN	20	(537,475)	35	2,211,840	55	1,674,365
NORTHERN METROPOLITAN	68	(3,917,845)	23	2,934,434	91	(983,411)
ROCHESTER	24	(581,132)	27	1,791,055	51	1,209,923
UTICA	15	(288,907)	37	2,597,505	52	2,308,598
WESTERN	34	(1,209,194)	41	3,069,999	75	1,860,806
<b>Total</b>	<b>387</b>	<b>(\$33,100,527)</b>	<b>230</b>	<b>\$24,310,811</b>	<b>617</b>	<b>(\$8,789,716)</b>

Sponsor	# Losers	Year 1 (2012) Loser Impact	# Winners	Year 1 (2012) Winner Impact	# Total	Year 1 (2012) Total Impact
Proprietary	206	(14,866,733)	108	14,956,594	314	89,860
Voluntary	156	(15,036,767)	100	7,367,570	256	(7,669,197)
Public*	25	(3,197,027)	22	1,986,648	47	(1,210,380)
<b>Total</b>	<b>387</b>	<b>(\$33,100,527)</b>	<b>230</b>	<b>\$24,310,811</b>	<b>617</b>	<b>(\$8,789,716)</b>

\*Public Facilities are eligible for IGT/UPL Payments

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**Statewide Price, Blended WEF**  
**Year 6: Full Implementation**  
 (Impacts from 7.7.11 Rate)

Region	# Losers	Year 6 (2017) Loser Impact	# Winners	Year 6 (2017) Winner Impact	# Total	Year 6 (2017) Total Impact
CENTRAL	26	(10,044,862)	23	14,718,622	49	4,673,760
LONG ISLAND	47	(33,176,204)	30	25,885,713	77	(7,290,490)
NEW YORK CITY	86	(120,122,112)	81	64,610,810	167	(55,511,302)
NORTHEASTERN	13	(4,808,413)	42	17,986,198	55	13,177,785
NORTHERN METROPOLITAN	43	(25,828,509)	48	27,126,929	91	1,298,420
ROCHESTER	22	(7,285,372)	29	8,377,176	51	1,091,804
UTICA	17	(6,354,603)	35	15,930,661	52	9,576,058
WESTERN	19	(3,893,006)	56	28,087,246	75	24,194,240
<b>Total</b>	<b>273</b>	<b>(\$211,513,083)</b>	<b>344</b>	<b>\$202,723,355</b>	<b>617</b>	<b>(\$8,789,727)</b>

Sponsor	# Losers	Year 6 (2017) Loser Impact	# Winners	Year 6 (2017) Winner Impact	# Total	Year 6 (2017) Total Impact
Proprietary	128	(79,093,037)	186	120,577,438	314	41,484,401
Voluntary	120	(105,513,980)	136	66,983,707	256	(38,530,273)
Public*	25	(26,906,065)	22	15,162,210	47	(11,743,855)
<b>Total</b>	<b>273</b>	<b>(\$211,513,083)</b>	<b>344</b>	<b>\$202,723,355</b>	<b>617</b>	<b>(\$8,789,727)</b>

\*Public Facilities are eligible for IGT/UPL Payments

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## Financially Challenged Nursing Homes

Nursing Homes with Financial Issues*	Number of Homes	# of SNF Beds
NHs Eligible for 2010 Financially Disadvantaged Funding (Preliminary)	83	14,219
NHs with 2010 Operating Losses that are 5% or More of Total Operating Revenue and Greater than 70% Medicaid Utilization	61	10,198
<b>Total</b>	<b>144</b>	<b>24,417</b>

\*Excludes Public Facilities that are eligible for IGT/UPL Payments. Total estimated SNF beds 112,630 statewide .

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**Statewide Price, Blended WEF, Five Year Phase-In  
Financially Challenged Facilities**  
(Impacts from 7.7.11 Rate)

Five Year Phase-In	Year 1 (2012) 1.75% Gain Loss Cap		Year 6 (2017) Full Implementation	
	Impact	#	Impact	#
Winners	6,884,320	69	49,490,947	89
Losers	(6,660,259)	71	(54,661,435)	51
<b>Net Impact</b>	<b>\$224,061</b>	<b>140</b>	<b>(\$5,170,488)</b>	<b>140</b>

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**Statewide Price, Blended WEF  
Financially Challenged Facilities**  
**Net Impacts Year 1 and Year 6 Full Implementation**  
(Impacts from 7.7.11 Rate)

Region	Year 1 (2012) 1.75% Gain Loss Cap	Year 6 (2017) Full Implementation
CENTRAL	331,495	2,120,045
LONG ISLAND	(437,004)	(2,541,676)
NEW YORK CITY	(3,887,971)	(18,232,578)
NORTHEASTERN	1,104,582	3,061,490
NORTHERN METROPOLITAN	(3,398)	(3,789,878)
ROCHESTER	1,002,889	3,076,957
UTICA	770,098	3,006,052
WESTERN	1,343,370	8,129,101
<b>Total (141)</b>	<b>\$224,061</b>	<b>(\$5,170,488)</b>

Sponsor	Year 1 (2012) 1.75% Gain Loss Cap	Year 6 (2017) Full Implementation
Proprietary	2,712,462	13,355,726
Voluntary	(2,488,401)	(18,526,214)
Public*		
<b>Total (141)</b>	<b>\$224,061</b>	<b>(\$5,170,488)</b>

\*Public Facilities are eligible for IGT/UPL Payments.

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## Specialty Units/Facilities

Per Statute Paid their 1.1.09 Pre-Rebasing Rate Including 2008 and 2009 Trend Impacts from 7.7.11 Rate

	Winner	#	Loser	#	Total	#
Aids Units	17,072,012	8	(3,323,969)	5	13,748,042	13
Vent Units	9,398,151	39	(1,044,475)	8	8,353,676	50
Neuro Behavioral	-	-	(5,588,314)	5	(5,588,314)	5
Head Injury Units	418,317	3	(4,320,589)	4	(3,902,272)	7
Pediatric	3,318,923	4	(6,389,138)	4	(3,070,215)	8
<b>Total</b>	<b>\$30,207,402</b>	<b>54</b>	<b>(\$20,666,485)</b>	<b>26</b>	<b>\$9,540,918</b>	<b>83</b>

- ▶ Total of 83 rates ~ 9 discrete facilities (5 AIDS and 4 Pediatrics)
- ▶ Impact of AIDS facilities adjusted to include the elimination of the Aids occupancy factor enacted in 2009
- ▶ Conduct further analysis of specialty facilities (especially Pediatrics) and AIDS scatter beds

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## Quality Incentives

- ▶ Multi-Year Approach Consistent with MLTC/ Health Home
  - Year 1: Initially based on pay for reporting to establish data for selected indicators/benchmarks (e.g., avoidable hospital admissions, discharges to less restrictive settings, rightsizing)
  - Year 2: Use established indicators/benchmarks to distribute quality pools funded from base to facilities that improve or maintain quality against indicators/benchmarks

Schedule for Developing & Implementing Quality Incentives	
Establish Work Group to Establish Quality Indicators/Benchmarks	As early as January 1, 2012
Collect & Analyze Quality Data Related to Established Indicators	June – December 2012
Pay for Reporting	Calendar 2012
Pay for Performance	Calendar 2013

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## Creating a Path to Managed Care: Health Homes

- ▶ Interested nursing homes would be offered an opportunity to participate in Health Home with care coordination fee to provide an opportunity to:
  - Develop care coordination network of both primary care/other LTC providers
  - Monitor and achieve specific outcomes (e.g., reduce readmission rate to hospitals, reduce lower acuity admits)
  - Develop contractual relationship with health plans/MLTC

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## Schedule for Implementing NH Pricing Methodology

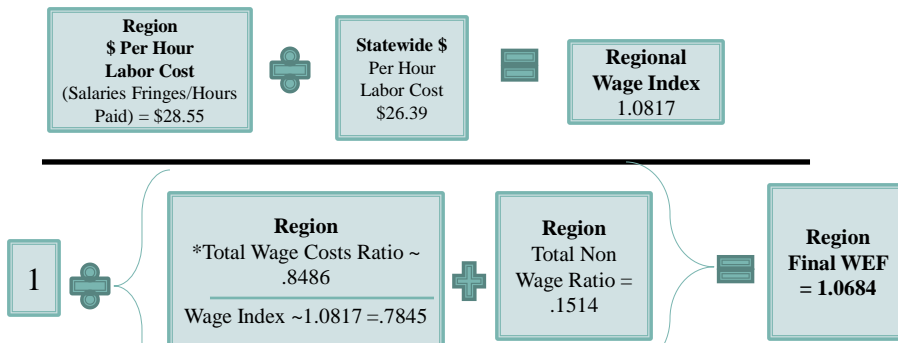
Actions / Rate Schedule	Estimated Date of Deliverable
<b>Timeline for Implementing Statewide Pricing Methodology</b>	
Nursing Home Webinar	December 20, 2011
Workgroup Develops Quality Measures/ Methodology	2012
Submit FPN Statewide Pricing Methodology	December 16, 2011
Submit draft SPA to CMS and draft Regulations	By January 10, 2012
Submit final SPA and Secure CMS approval	No later than March 31, 2012
Implement Pricing Methodology/ Hold Industry Webinar Briefing	April 1, 2012
Continue to work with CMS on health home model for nursing homes	2012

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# Appendix WEF Formulas

**50/50 Blended WEF =**  
(50% of Calculated Regional WEF +  
50% of Calculated Facility Specific WEF)

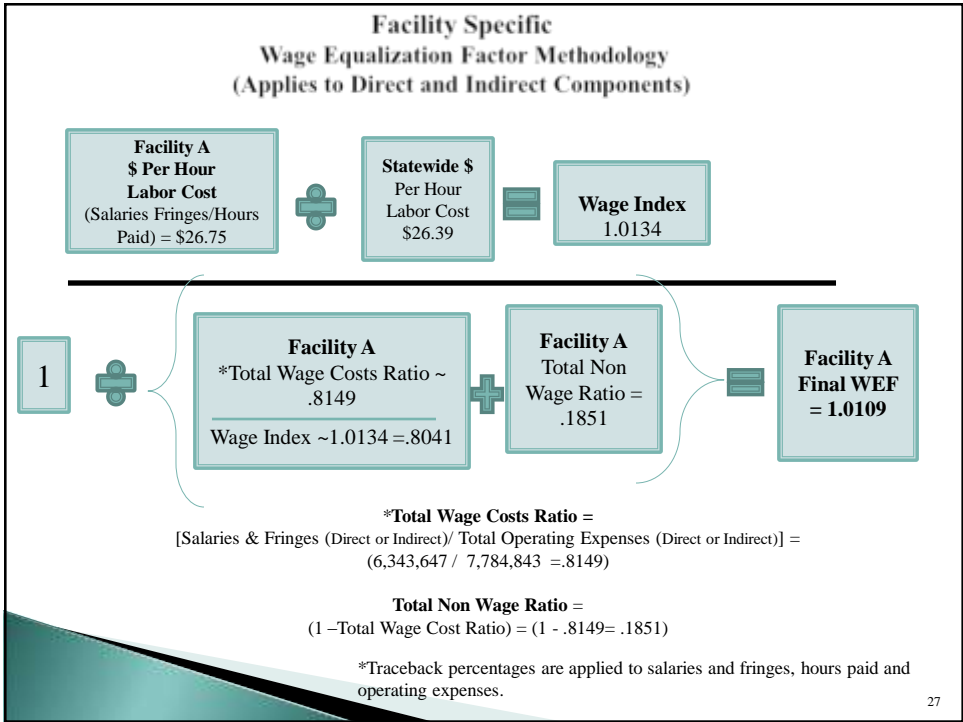
## Regional Wage Equalization Factor Methodology (Applies to Direct and Indirect Components)



**\*Total Wage Costs Ratio =**  
[Salaries & Fringes (Direct or Indirect) / Total Operating Expenses (Direct or Indirect)] =  
(323,928,117 / 381,739,860) = .8486

**Total Non Wage Ratio =**  
(1 - Total Wage Cost Ratio) = (1 - .8486) = .1514

\*Traceback percentages are applied to salaries and fringes, hours paid and operating expenses.



## Alternative Pricing Option Possible Universal Litigation and Appeals Settlement

## Possible Universal Litigation and Appeals Settlement

- ▶ Under this possible approach, roughly \$100 million can be added to further smooth transition
  - The approach would require the withdrawal of **all** pending litigation and outstanding operating and methodological capital appeals by all nursing homes.
- ▶ The additional \$100 million would transition homes such that:
  - No homes incur losses for the first two years
  - The losses of homes negatively impacted by pricing is reduced by roughly one-half
  - The gains of the winners is accelerated in the first three years
- ▶ Funding would be made available within existing resources and included within the Global Cap

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## Possible Universal Settlement Transition Approach

- ▶ Blended Price/ Blended WEF model is fully implemented in year one
  - No changes are made in the underlying blended price/ blended WEF methodology
  - Corridor Transition is eliminated
- ▶ Six year transition period remains in play under settlement transition approach
- ▶ **Transition Pool:** established to temporarily shift resources from winners to losers (\$100 million) in years one and two
- ▶ **Settlement Contribution:** of approximately \$100M is a permanent resource to mitigate impact of losers
- ▶ With these two transition pools in:
  - Years 1 and 2 there will be \$100 million in winners and no losers
  - Years 3 - 5 will transition \$100 million back to winners
  - Full implementation (Year 6) would result in \$200M in winners and \$100M in losers (versus \$200M in winners and \$200 million in losers)
- ▶ This approach would result in the following shift from winners to losers

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 (Full Imp)
Shift From Winners/ Transition Pool	\$100	\$100	\$75	\$50	\$25	\$0
Settlement Contribution	\$100	\$100	\$100	\$100	\$100	\$100

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### Possible Settlement Transition Example

<b>Winner Facility Current Rate = \$85</b>	<b>Year 1 and Year 2</b>	<b>Year 3</b>	<b>Year 6 (Full Implementation)</b>
Blended Price	\$100	\$100	\$100
Transition \$ to Losers	(\$7.50)	(\$5.60)	\$0
Total Rate	\$92.50	\$94.40	\$100
Blended Price Compared to Current Rate	+\$7.50	+\$9.40	+\$15.00

<b>Loser Facility Current Rate = \$115</b>	<b>Year 1 and Year 2</b>	<b>Year 3</b>	<b>Year 6 (Full Implementation)</b>
Blended Price	\$100	\$100	\$100
Transition \$ from Winners	\$7.50	\$5.60	\$0
Settlement Contribution	\$7.50	\$7.50	\$7.50
Total Rate	\$115	\$113.10	\$107.50
Blended Price Compared to Current Rate	\$0	(\$1.90)	(\$7.50)

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### Possible Settlement Transition Strategy

<b>Corridor Transition</b>						
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Full Implementation</b>
Winners	24,310,811	47,134,699	106,288,624	144,845,333	169,159,705	202,723,355
Losers	(33,100,527)	(55,924,459)	(115,078,217)	(153,634,976)	(177,949,354)	(211,513,083)

<b>Settlement Transition</b>						
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Full Implementation</b>
Winners	96,770,148	94,497,606	119,088,543	146,966,814	174,845,085	202,723,355
Losers *	0	0	(27,878,271)	(55,756,541)	(83,634,812)	(111,513,083)

\* 65 Homes that do not benefit under Settlement Transition will receive their Corridor Transition in Year 1 and 21 homes in Year 2

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## Possible Transition Under Alternative Universal Settlement Approach

Corridor Transition							
		Year 1	Year 2	Year 3	Year 4	Year 5	Full Imp.
Winners	Proprietary	14,956,594	30,152,941	62,167,058	84,766,789	99,394,795	120,577,438
	Voluntary	7,367,570	13,822,411	35,620,237	48,484,357	56,118,564	66,983,707
	Publics	1,986,648	3,159,347	8,501,329	11,594,186	13,646,347	15,162,210
Losers	Proprietary	(14,866,733)	(24,110,664)	(48,428,258)	(62,820,224)	(70,090,322)	(79,093,037)
	Voluntary	(15,036,767)	(25,440,985)	(51,747,030)	(70,665,574)	(84,469,548)	(105,513,980)
	Publics	(3,197,027)	(6,372,811)	(14,902,929)	(20,149,179)	(23,389,484)	(26,906,065)
Settlement Transition							
Winners	Proprietary	58,342,480	57,289,770	70,832,448	87,414,111	103,995,774	120,577,438
	Voluntary	31,185,853	30,385,981	39,349,152	48,560,670	57,772,189	66,983,707
	Publics	7,241,814	6,821,855	8,906,944	10,992,033	13,077,122	15,162,210
Losers	Proprietary	-	-	(10,424,779)	(20,849,558)	(31,274,336)	(41,699,115)
	Voluntary	-	-	(13,907,165)	(27,814,330)	(41,721,494)	(55,628,659)
	Publics	-	-	(3,546,327)	(7,092,654)	(10,638,981)	(14,185,308)

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## Assistance and Questions

- ▶ To assist the Department in effectively managing the volume of inquiries and be responsive to your inquiries please direct your questions to:

**[nfrates@health.state.ny.us](mailto:nfrates@health.state.ny.us)**

- ▶ In the subject line of your email please type the topic NH Pricing Methodology and your facility name

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