

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 RHCFC 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

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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

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Update of Regression Analysis

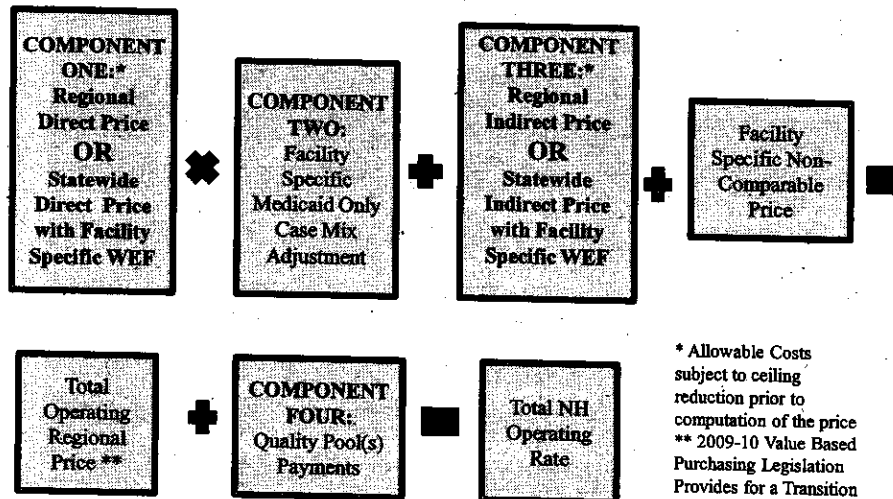
- ▶ Update of NYPRHM Regression Model Presented at October 13th Meeting
 - Updated Case Mix ~ New Methodology to address oversampling issue for 2007 Base Year was slightly better predictor of Direct Costs
- ▶ Model Results with different regions:

Model - Region	Direct R-Square	Indirect R-Square
NYPRHM Regions	68.1%	45.2%
WEF Regions	70.9%	59.2%

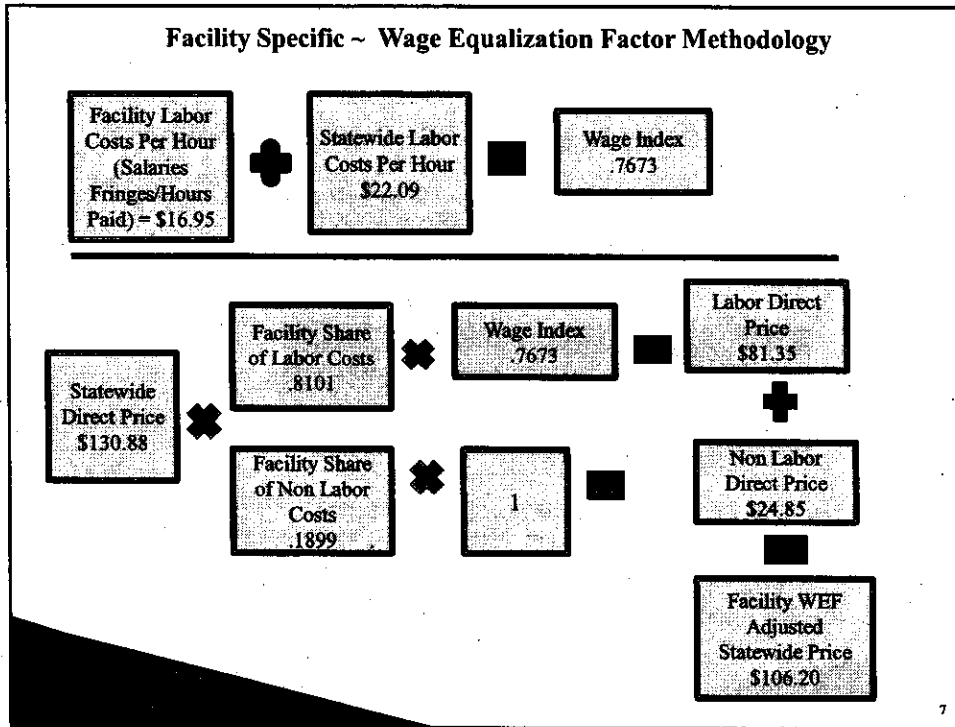
- ▶ Results of Models still suggest regions can be collapsed
 - NYPRHM: Collapse NYC, No. Metropolitan.; Western, Central, Rochester
 - WEF: Collapse NYC, Westchester; Syracuse, Albany, Erie, Elmira, Orange, Poughkeepsie, Rochester; and Western Rural, Binghamton, Glens Falls, Central Rural, Northern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

Overview of Value Based Purchasing Methodology

2007 Base Year



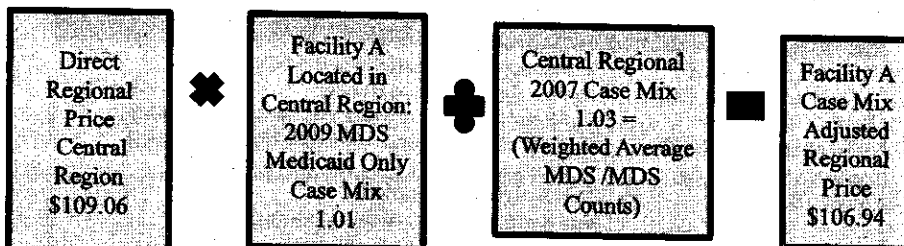
* Allowable Costs subject to ceiling reduction prior to computation of the price
 ** 2009-10 Value Based Purchasing Legislation Provides for a Transition Pool Similar to Executive Proposal



Region	Statewide Direct Price	WEF Region	Facility Labor Direct Price	Statewide Direct Price
Central	\$109.06	Central Rural	\$88.10	\$130.88
		Hamilton	70.19	130.88
		Elmira	113.49	130.88
Long Island	147.72	Long Island	147.70	130.88
		New York City	149.19	130.88
Northeastern	117.33	Albany	119.56	130.88
		Glens Falls	101.00	130.88
No. Metropolitan	132.63	Orange	122.56	130.88
		Poughkeepsie	113.00	130.88
		Westchester	149.08	130.88
Utica	98.81	Utica	103.42	130.88
		Watkins Glen	85.67	130.88
Western	116.55	Erie	116.83	130.88
		Western Rural	118.98	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



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

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NYPHRM Region*	NYPHRM Reference Price**	WEF Region*	WEF Region Reference Price**	Standardized Direct Price*
Central	\$55.57	Central Rural	\$53.63	\$63.58
	55.57	Delaware	53.01	63.58
	55.57	Elmira	51.32	63.58
	55.57	Genesee	53.39	63.58
Long Island	64.31	Long Island	64.31	63.58
New York City	69.41	New York City	69.40	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	54.76	63.58
	67.34	Westchester	72.97	63.58
Rochester	58.54	Rochester	57.45	63.58
Utica	54.81	Utica	52.88	63.58
	54.81	Northwest Rural	51.59	63.58
Western	56.56	Eric	57.14	63.58
	56.56	Western Rural	49.57	63.58

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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

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Quality Pool

Central	5,748,344
Long Island	7,259,694
New York City	12,272,845
Northeastern	2,812,824
No. Metropolitan	7,474,383
Rochester	2,222,828
Utica	3,404,314
Western	2,063,560
Total	44,293,128

* Updates using latest available data in progress

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