

1) What will be the policy relating to nursing home reimbursement in managed care?

COMMENTS/DISCUSSION:

➤ **Informed work group of the following policies and/or changes:**

- Those currently permanently placed in nursing homes and are covered under fee-for-service will stay in the fee-for-service program.
- Pay for performance and other shared savings programs will be encouraged
- All managed care payments must comply with the Prompt Pay law

DRAFT RECOMMENDATIONS/NEXT STEPS:

- For the first 2 years of the transition to MC, payment will be based on Medicaid fee-for-service rates. DOH will consider negotiated arrangements during this period. After the initial period, DOH will continue to establish Benchmark Rates.
- The Benchmark Rate will be adjusted to include provider specific capital costs
- DOH will establish quality of care indicators that will be shared with providers and plans when they are finalized
- It was suggested that the quality of the physical plant should be considered. Workgroup will explore the possibility of including a quality measure(s) of the physical plant.
- Similar to how the administrative component of the rate was adjusted when other services or populations were added to managed care, the administrative component of the MC rate will be adjusted, when appropriate, to reflect the nursing home transition program.
- DOH – continue working with MERCER on adjusting MLTC rate

2) How will the rate add-on be calculated?

COMMENTS/DISCUSSION:

- With dual eligible enrollment, there is concern that Medicare Part A coverage will not be easily identifiable.
- How will revenue be distinguished in relation to payer with regard to short-term versus long-term residents?
- DOH may provide certain protections for those nursing homes and facilities that will experience higher financial strain (specialty rates).
- A work group focused on these specialty rates was proposed

DRAFT RECOMMENDATIONS/NEXT STEPS:

- Possibly form a specialty rate work group
- Develop a method to distinguish revenue for rehabilitation versus permanent stays
- Work with Mercer to develop risk-based methodology that will take into account changes in patient acuity (case mix)
 - Invite Mercer to next subgroup meeting
- How will case mix be handled in MLTC premiums?
 - Review case mix for providers and plans in next meeting

3) When will the plans see the money in the premium?

COMMENTS/DISCUSSION:

- DOH is developing a timeline for when plans will begin receiving payment, but the intent is to make the adjustment prospectively.

DRAFT RECOMMENDATIONS/NEXT STEPS:

- DOH is developing a timeline with MERCER on rate setting deliverables
 - Timeline will be available for next subgroup meeting (to be scheduled)

4) How will nursing home capital be handled?

COMMENTS/DISCUSSION:

- An idea was generated to create a quality pool or develop a quality measure for capital so facilities receive a financial incentive to improve their facilities.
- Nursing Home industry feels strongly that discreet nursing home capital rates need to be maintained

DRAFT RECOMMENDATIONS/NEXT STEPS:

- The Capital work group is tasked with developing issues related to physical plant quality measure/pools, and any potential re-vamping of capital reimbursement. The capital work group will report on such developments. It should be noted that for the first 2 years of transition the bench mark rates for NH's will include provider specific capital.

5) How do the Nursing home reforms and settlements integrate into the Transition to MC?

COMMENTS/DISCUSSION:

- Universal Settlement – The proposal is to add \$100m to the transition base for providers withdrawing specified appeals and pending litigation. The \$100m would become part of the benchmark rates.

DRAFT RECOMMENDATIONS/NEXT STEPS:

- Universal Settlement language is under review by Governor's Council with Attorney's General's office
- Division of Finance and Rate Setting staff is preparing an analysis of the impact on Universal Settlement for further discussion with providers

6) What will be the role of the Benchmark Rate and how will it be developed? Not discussed on July 23rd due to time

COMMENTS/DISCUSSION:

- Refer to discussion in Issue 1
- Risk Adjustment – requires further discussion with Mercer
 - How will we adjust for the disproportionate shares of high risk individuals?
 - Corridors and risk pools

DRAFT RECOMMENDATIONS/NEXT STEPS:

- Plans, providers, and consumers would like to be further educated on how DOH calculates both FFS and how it relates to the MLTC rate setting methodology
 - Explanation of nursing home rate setting methodology will be presented at the next MLTC meeting (August 15th)
- Explore risk adjustment options (corridors/pools) in further detail

7) Will there be stop/loss for the benefit? Not discussed on July 23rd due to time

COMMENTS/DISCUSSION:

- How will the stop/loss program for this benefit be modified? (August deadline)

DRAFT RECOMMENDATIONS/NEXT STEPS:

- DOH is working with plan associations to develop stop/loss
 - Will be discussed at next meeting

8) How can shared savings be integrated into the transition? / Not discussed on July 23rd due to time

COMMENTS/DISCUSSION:

- How can shared savings be integrated into the transition?

RECOMMENDATIONS/NEXT STEPS:

- Will be discussed at next meeting