

## **DOH Confirms Intent to Cap CMI Growth at Five Percent**

Further discussions with DOH have confirmed that the state intends to temporarily cap individual facility case mix changes to five percent in initial July 2012 Medicaid rates. As reported last week, DOH is proposing this interim step to be certain that the overall six percent average statewide Case Mix Index (CMI) increase is accurate and to help ensure that the timing of the resulting rate increases do not trigger Medicaid global spending cap rate cuts.

DOH would issue interim July 2012 rates in November 2012 constraining every home's CMI change to no more than five percent when compared to the previous period (i.e., January 2011). The cap would be temporary pending MDS audits. Upon conclusion of the audits, payment adjustments associated with CMI changes above and below the temporary cap would be made. Members should remember that case mix data collected on January 2012 census rosters are the basis for case mix adjustment to July 2012 rates.

LeadingAge NY and other associations will work quickly with DOH to identify a private contractor alternative to OMIG to perform MDS audits based on protocols that would be developed with provider input. As part of the agreement, DOH would commit to issuing and paying final July 2012 rates within a predetermined timeframe. We thank members who have provided input on the DOH proposal and will keep you posted on developments.

The Case Mix Index (CMI) constraint described above complicates budgeting for 2013. Providers whose CMI increased by more than five percent will face a delay in receiving their full case mix update. Once their MDS assessments pass audit, they should receive the full value of their CMI change when final July 2012 rates are issued. Members whose CMI grew by more than five percent can estimate their initial July 2012 Medicaid rate by increasing their January 2011 CMI by five percent and entering that CMI in the LeadingAge NY Medicaid rate template available on our website.

Even if the July 2012 CMI growth does not trigger global cap rate reductions, members should pay close attention to announcements regarding the statewide case mix associated with July 2012 census rosters. If the July 2012 statewide CMI is level or greater than that reported in January 2012, the additional \$200 million in Medicaid spending, driven by the January 2012 CMI update, will continue or increase in 2013 and is likely to put additional pressure on the Medicaid global cap.

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