NEW YORK
state department of
HEALTH

Nirav R. Shah, M.D., M.P.H.
Commissioner

Sue Kelly
Executive Deputy Commissioner

July 24, 2012

Dear Nursing Home Quality Pool Workgroup Member:

I would like to thank you for all your time, efforts and expertise in assisting us with the development and design of the New York State Department of Health Nursing Home Quality Pool. I believe that this Quality Pool aligns with Department initiatives to financially reward facilities that meet or exceed industry standards of quality of care.

Based upon feedback provided by all members of the workgroup, the refined Nursing Home Quality Pool methodology reflects a compromise of all comments received. The Nursing Home Quality Pool is a "work-in-progress" and we anticipate working together to make refinements, modifications and improvements over time.

Attached is a document outlining the final 2012 and 2013 Nursing Home Quality Pool methodology which we will be sending to all nursing homes in New York State. Please note that this fall, the Office of Health Insurance Programs, Division of Finance and Rate Setting will be contacting nursing homes about the implementation of the 2012 pay for reporting provisions and rate reductions which would be applicable to those homes that do not satisfy the reporting requirements.

Thank you again for all your input on this project, it would not have been possible without your significant contribution. Please contact me or Raina Josberger at (518) 486-9012 if you have any questions.

Sincerely,

Patrick J. Roohan
Director
Office of Quality and Patient Safety

Attachment

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The New York State Department of Health (NYS DOH), Office of Quality and Patient Safety is pleased to announce the parameters for the upcoming 2012 and 2013 Nursing Home Quality Pool (QP). The 2012 Quality Pool, which is the first year of the Quality Pool, will be a pay for reporting year with the incorporation of negative per diem adjustment for non-compliant reporting of Nursing Home cost reports and employee flu immunization data. The parameters for the 2013 Quality Pool, which are detailed below, will be applied to the 2012 data, to be used for benchmarking purposes so that nursing homes can know their current performance in anticipation of application of the 2013 methodology.

Quality Pool 2012

Nursing Home facilities that failed to submit timely data for the 2011 Nursing Home Cost Report or for the Employee Flu Immunization data will receive a negative per diem rate adjustment. Any facility that received a J/K/L deficiency during the measurement year (2011) or the payment year (2012) will also receive a negative per diem rate adjustment. The negative adjustment will be calculated as follows:

(Number of Medicaid Days of the Facility / total Medicaid days) multiplied by $50 million. The per diem adjustment will be made this fall and the Department will follow up with additional details at that time.

Category	Measure Description	Timeframe	Penalty
Nursing Home Cost Reports	Failure to file timely, certified, and complete Nursing Home cost reports for 2011	2011 Nursing Home cost report, due August 17, 2012	Negative per diem rate adjustment for failure to submit timely Nursing Home Cost Reports, **or** Employee Flu Immunization Data, **or** a J/K/L deficiency was found.
Employee Flu Immunization data	Failure to submit timely data to the Bureau of Immunization	Nursing Home Employee Flu Immunization Data for September 1, 2011 – March 30, 2012, due April 2012.	
5-Star Rating for Health Inspections	Deficiency data showed a level J/K/L deficiency	Measurement year or payment year	

Quality Pool 2013

The Quality Pool for 2013 will be comprised of four areas: quality measures, patient satisfaction, compliance with reporting and avoidable hospitalizations.

Quality Measures (60 points)

> Quality measures will be calculated from MDS 3.0 data, the NYS employee flu vaccination data, and the 5-Star Staffing measure.

> ➢ The allotted 60 points for quality will be distributed evenly for all single measures. Composite measures may be included in future incentives and could be weighted more than single measures.

> ➢ The determination of the quintiles will be based on the <u>same measurement year of the results</u>. Therefore only a certain number of nursing homes will be able to achieve these quintiles for each measure. To determine the nursing homes achieving the

quintiles in measures with very narrow range of performance, the results will not be rounded prior to the quintile determination. For example, two nursing homes with the same rate after rounding, may achieve different points for the measure.

➢ Nursing homes will be rewarded for attaining highest performance as well as improvement from previous year's performance (will not apply to beta run of 2012 QP because trend data is not available). For example if each quality measure is worth 5 points, the distribution of points based on two years of performance is below.

Quality Point grid for Attainment and Improvement

	Year 1 Performance					
	Quintiles	1	2	3	4	5
Year 2 Performance	5	5	5	5	5	5
	4	4	4	4	3	3
	3	2	2	1	1	1
	2	1	0	0	0	0
	1	0	0	0	0	0

Year 1=2012   Year 2=2013

If a nursing home's rate for a specific measure is in the top quintile in 2013, they will receive 5 points for that measure. If their 2013 performance is in the 4th quintile, which is an improvement from 2012, when they were in the 3rd quintile, they will receive 4 points for the measure. This is 3 points for attaining the 4th quintile and 1 point for improvement.

Points in the grid are based upon 60 points and twelve quality measures, points will be adjusted if there is a change in base points or in the number of quality measures included.

➢ When CMS releases the 2012 rates for the MDS 3.0 quality measures, all proposed QP measures will be reviewed by NYS DOH for variability and applicability to NYS' population and the QP.

➢ The proposed composite staffing measure utilizes 1) the level of Nursing Home reported temporary contract/agency staff from Schedule P of the annually submitted cost reports; and 2) the acuity-adjusted Nursing Home Compare 5-Star staff ranking.

➢ The following tables are the proposed quality measures for 2013.

Quality Measures for 2013 Quality Pool

	MDS 3.0 Quality Measures	
1	Percent of Long Stay High Risk Residents With Pressure Ulcers	Risk Adjusted by NYS
2	Percent of Long Stay Residents with a Urinary Tract Infection	
3	Percent of Long Stay Residents Who Lose Too Much Weight	NYS will review data for appropriateness of risk adjustment
4	Percent of Long Stay Residents Whose Need for Help with Daily Activities Has Increased	
5	Percent of Low Risk Long Stay Residents Who Lose Control of Their Bowels or	

	Bladder	
6	Percent of Long Stay Residents Who Self-Report Moderate to Severe Pain	Risk Adjusted by NYS
7	Percent of Long Stay Residents Assessed and Given, Appropriately, the Seasonal Influenza Vaccine	
8	Percent of Long Stay Residents Assessed and Given, Appropriately, the Pneumococcal Vaccine	
9	Percent of Long Stay Residents Experiencing One or More Falls with Major Injury	
10	Percent of Long Stay Residents Who have Depressive Symptoms	
11	Prevalence of psychotropic medication use in Long Stay Residents, in the absence of psychotic or related conditions.	
12	Staffing	
	Composite Staffing Measure	
	Level of Temporary Contract/Agency Staff Used	Accounts for half of Staffing points
	CMS' 5-Star Rating for Staffing	Accounts for half of Staffing points
	NYS Specific Measure	
13	Percent of Employees vaccinated for the Flu- Annually reported to the Bureau of Immunization	

Satisfaction

NYS DOH acknowledges the importance of resident satisfaction and its importance as a quality indicator. However, at this time, a uniform process for collection and assessment of satisfaction data does not exist across all nursing home facilities. We are investigating potential sources of funds to conduct a resident satisfaction survey to be included in the 2013. We will also continue to monitor CMS' development and guidance in this important area for the application of satisfaction data into the QP in the future.

Compliance (20 points)

 ➢ Using each facility's most recent standard survey, evaluation will be based upon the scope and severity of deficiencies cited utilizing CMS' 5-Star rating for health inspections

Category	Measure Description	Timeframe	Points
5-Star Rating for Health Inspections	Facility ratings for the health inspections domain are based on the number, scope, and severity of the deficiencies identified during the three most recent annual inspection surveys, as well as substantiated findings from the most recent 36 months of complaint investigations. All deficiency findings are weighted by scope and severity. This measure also takes into account the number of revisits required to ensure that deficiencies identified during the health inspection survey have been corrected.	5-Star Cut Points for Health Inspection Scores, April 2012	**Ten** points for will be awarded for obtaining five stars or the top 10 percent (lowest 10 percent in terms of health inspection deficiency score). **Seven** points for obtaining four stars, **four** points for obtaining three stars, **two** point for obtaining two stars and **zero** points for one star.
Nursing Home Cost Reports	Failure to file timely, certified, and complete Nursing Home cost reports for 2012	2012 Nursing Home cost reports	**Five** points for timely, certified and complete submission of the 2012 cost report.
Employee Flu Immunization data	Failure to submit timely data to the Bureau of Immunization on Employee health worker annual flu immunization.	Nursing Home Employee Flu Immunization data	**Five** points for timely submission of immunization data.

		for September 1, 2012 - March 30, 2013	

> Facilities receiving a survey outcome of Immediate Jeopardy or Substandard Quality of Care during any survey in the measurement year (2011) or during last full survey would be excluded from the QP.

Avoidable Hospitalizations (20 points)

> NYS is developing a potentially preventable hospitalization quality indicator that is based upon the Nursing Home Value Based Purchasing demonstration.

> Two types of episodes will be defined: short stay and long stay.

> MDS 3.0 data will be utilized.

Category	Measure Description	Timeframe	Points
Avoidable Hospitalization	The number of potentially avoidable hospitalizations per **short term** episode during the 12 month period	January 1, 2012 – December 31, 2012	**Ten** points will be awarded for obtaining the top performing quintile (lower is better). **Eight** points for obtaining the fourth quintile, **six** points for the third quintile, **two** points for the second quintile and **zero** points for bottom quintile
	The number of potentially avoidable hospitalizations per 100 **long term** episode days	January 1, 2012 – December 31, 2012	Same as for short term

Facilities that meet the following conditions will be subject to a negative quality per diem adjustment in 2012 and will not be eligible for quality pool distributions in 2013, regardless of their quality score.

> If deficiency data shows a level J/K/L deficiency during the measurement year or the payment year, the facility is automatically excluded from the Quality Pool.

> Determination of Fraud or abuse by Office of the Medicaid Inspector General or Attorney General's Medicaid Fraud Control Unit during the measurement year or the payment year.

Exclusions

The following types of facilities are not eligible for Quality Pool payment:

- ➢ Non-Medicaid Facilities.

- ➢ Any facility designated as a Special Focus Facility at _any time_ during the measurement year .or the payment year.

- ➢ Specialty Nursing Home Facilities or Units.

Anticipated Schedule 2012

Summer 2012 – CMS will release the results of MDS 3.0 quality measurement set.
October 2012 – NYS DOH will release the results of the 2012 Nursing Home QP
November 2012 – Negative per diem rate adjustment, if applicable, will be implemented
Late Fall 2012 – NYS DOH will run the 2013 QP methodology using 2011 data, so Nursing Homes will have an understanding of the methodology and the results for the next Quality Pool.

Anticipated Schedule 2013

April 2013 – Employee Flu Immunization Data due
Summer 2013 – CMS will release updated quality measurement set
October 2013 – NYS DOH will release the of the 2013 Nursing Home QP
November 2013 – Implementation of rate adjustments as a result of 2013 NH QP findings