

Medicaid Rate Discussions Continue

On October 22nd, NYAHSA met with DOH regarding nursing home cash flow concerns and the status of Medicaid rates. Department staff is currently finalizing rebased rates through January 2010. If CMS approval were to come in November, DOH would publish 4/1/09, 7/1/09 and 1/1/10 rates reflecting appropriate case-mix index (CMI) updates, corrections and a number of appeals. When these rates are released, it will mark the first time that homes will see the effect of statewide CMI growth on their rates.

The statewide CMI grew by 7 percent between January 2009 and July 2009, driving the statewide cost of rebasing up by a DOH-estimated figure of \$275 million. With the statewide cost of rebasing already at the \$210 million cap, such an increase would result in scale-back amounts three times as large as those shown on the 5/1/09 notice rate sheets issued in January 2010. With members relying on estimated rates to finalize their budgets, we reiterated the importance to DOH of distributing these CMI updated rates as quickly as possible.

DOH expects to reconcile trend factor overpayments at the same time that the new rates are paid. With the total impact of the various state budget cuts (i.e., scaleback, Medicaid-only CMI and trend factors) exceeding the benefit of rebasing for a number of homes, we are working with DOH to develop a way to identify facilities facing major financial upheaval due to the reconciliation. We advocated strongly for establishing criteria to provide recoupment relief to homes facing the greatest need and will keep you apprised of our efforts on this front.

NYAHSA is checking with CMS on a regular basis as to the status of the Medicaid State Plan Amendments underlying these rate changes. CMS advised NYAHSA that they are nearing completion of their review of the state's Medicare upper payment limit calculations which must be approved before the rates can be issued.

DOH intends to issue 2011 capital rate schedules in early November even if CMS approval is not received by that time. While there will be no formal "hotline" appeals, DOH will instruct homes to reach out to them if they identify errors in the capital calculation.

We also discussed the agenda for the Nursing Home Reimbursement Workgroup meeting scheduled for October 28th. The workgroup, which last met in the Spring of this year, has spent many meetings reviewing and providing suggestions on improving components of regional pricing. At the meeting, DOH hopes to refresh workgroup members on outstanding issues and clarify the timelines for moving forward. While NYAHSA opposes regional pricing, we will continue to work with DOH in hopes of mitigating the most harmful features of the proposal and will keep members updated on developments.

If you have questions on this information, please contact Darius Kirstein at dkirstein@nyahsa.org, or by phone at 518-449-2707 ext. 104.