

Rebasing Mitigation Relief Impact FAQs

THE QUESTIONS AND ANSWERS SHOWN BELOW APPLY TO THE REBASING MITIGATION IMPACT ESTIMATES NYAHSA ALONG WITH A NUMBER OF OTHER ASSOCIATIONS RELEASED ON MARCH 31 ST . THE IMPACT ESTIMATE LIST IS AVAILABLE [HERE](#) BUT DOES REQUIRE A MEMBER PASSWORD TO ACCESS.

1. When will rebasing benefits be paid?

Budget language requires that the benefits of mitigation relief be paid in May of 2011 . We anticipate rebasing benefits to be paid sometime in the first half of 2011 . NYAHSA and other associations are working with DOH on extended repayment strategies for homes that will face recoupments.

2. When does statewide pricing start?

Statewide pricing is scheduled to start either October 1, 2011 or January 1, 2012. If funding is available to continue rebasing mitigation relief for the last quarter of 2011, rebasing will begin 1/1/12. DOH does not object to a 1/1/12 start date and has committed to working with us and other associations to facilitate this.

3. My total impact shown in column F is negative yet I get no mitigation relief in column C. Why?

Mitigation relief is calculated based on the impact of rebasing, Medicaid-only CMI and the scaleback. The trend factor overpayment recoupments are outside of this calculation. Facilities with a negative impact in column B qualify for rebasing mitigation relief.

4. My home has a net gain from rebasing, Medicaid-only CMI and scaleback. Is this gain reduced as part of the mitigation plan?

The mitigation relief plan does not reduce net positive impacts of rebasing.

5. Where is my specialty unit impact?

Specialty unit impacts are consolidated with RHCF unit impacts for the purpose of calculating mitigation relief. Figures in all columns, including the retroactive trend factor reconciliations, contain impacts for all the units in a facility.

6. Are these the official rates on which I can budget?

The primary intention of the impact list is to show the impact of mitigation relief for homes that experience a net loss when rebasing, Medicaid-only CMI and the scaleback are combined. This is a new provision enacted in the budget. DOH shared some rate data to make this calculation possible but the rebasing impact estimates shown are neither final nor

official. DOH is working to get rate sheets out quickly and we continue to urge them to do so ASAP.

7. What rates are being compared to arrive at the rebasing impact?

The net impact of rebasing, Medicaid-only CMI and scaleback shown in column B is calculated by comparing rebased rates to the 1/1/2009 rate without capital and with 2008 and 2009 trend factors of zero. The rebased rates reflect a blending of impacts based on January 2009, July 2009 and January 2010 CMIs and the resulting scaleback adjustments. They represent the rate adjusted for scaleback and Medicaid-only CMI less capital. Both the "from" and the "to" rates are weighted for the appropriate mix of part B and D eligible days.

So the rebasing impact is a comparison of the rate a home would have received had there been no rebasing to the rebased rate that they are expected to receive during the same time period. Trend factors are not part of the impact calculation.

8. What Medicaid days are used in the impact calculation?

Impact calculations are based on 2009 Medicaid days reflecting the appropriate mix of Medicare Part B and D eligible days.

9. What CMI is used in the rate impact estimates?

Impact estimates are based on 24 months (April 1, 2009 through March 31, 2011) using a weighted blend of rates based on the three CMI time periods available: January 2009, July 2009 and January 2010. January 2009 CMI accounts for three months, July 2009 accounts for six months and January 2010 accounts for 15 months.

Rebasing impacts will be updated using July 2010 CMI. Mitigation relief estimates will not be updated.

10. Will these impacts change?

The mitigation relief figures should not change but other figures will. A condition of the mitigation relief plan was that it not require multiple recalculations and that the funding would be a set amount to facilitate quick CMS approval. Mitigation relief figures are calculated on the most current information available currently and DOH has said they will not be recalculated and statute specifies that they will not be reconciled. Even when facility 30-month impacts of rebasing, Medicaid-only CMI and scaleback change when rates are updated to reflect July 2010 CMI, the mitigation relief amounts will not be recalculated nor updated. The figures showing the recoupment of 2008 and 2009 trend factor overpayments and the negative banking for the first quarter of 2009 are estimates and may change when DOH makes the final calculation.

11. Why does the impact list show 30 months of rebasing mitigation relief? Why does it show 24 months of trend factor reconciliation impact?

Rebasing mitigation is funded in the current state budget for the period from 4/1/09 through 9/30/11 (30 months). If funding is available, the mitigation relief will continue at the same or very similar amounts for another three months through 12/31/11 but because that is not yet certain, we do not include that time period in the estimates.

Trend factor overpayments will be recouped from 4/1/09 through whatever date the overpayments are discontinued. The figures in column E show estimated impact through 3/31/2011 but the amount to be recouped will continue to accumulate as the overpayments continue. We did not include impact of recouping overpayments not yet received.

12. Isn't the trend cut reflected in the column B impact?

No. Column B shows the incremental difference between a pre-rebasing rate with a zero trend factor for 2008 and 2009 and the blended rebased rate with a zero trend factor for 2008 and 2009.

13. How can I verify the Medicaid trend factor recoupment amounts?

The rebased notice rates that DOH issued in January of 2010 list a "12/31/2008 rate without 2008 trend" on line 6 of the cover page. This rate is comprised of direct, indirect and non-comparable components. For most facilities, this is the operating component of the rate currently being paid less the 2008 and 2009 trend factors. Compare the trended direct, indirect and non-comparable component of the rate you are currently receiving to this amount to arrive at a close estimate of the per-day trend factor overpayment that will be recouped from 4/1/09 through the present. Our analysis suggests that the overpayment is about 4.3 percent of the trended operating component. Note that the negative banking adjustment attributable to the first quarter of 2009 is in addition to the trend factor reconciliation.

14. Are the trend factor recoupments part of the rebasing mitigation calculation?

No. The limited funding available for mitigation was targeted towards those organizations that had the greatest net negative impact of rebasing, Medicaid-only CMI and scaleback as well as those homes that had a net negative impact from these and were identified by DOH as financially fragile.

15. Why are there several homes with positive trend recoupment numbers?

The trend factor recoupment calculation seems incorrect for several pediatric and recently rebased homes. We urge members to verify or refine their trend overpayment estimates using the method described in Q.13 above.

16. My home was rebased since 2002. Is that reflected in the impact calculation?

Homes whose rebasing appeal was recently processed should check with DOH whether their rebasing is reflected in the impact calculations. There are some rebasing appeals that are not yet reflected but DOH was unable to provide us with a list of which ones are included.

17. What does “financially fragile” mean?

It refers to those non-public homes that DOH determined from their preliminary calculations to be eligible for financially disadvantaged facility funding as well as those that had a 2009 negative operating margin of 5.0 percent or worse.

18. I’ve seen a different list with different number. Which is correct?

A preliminary list showing a 24 month impact was circulated. We are not certain of the origin nor accuracy of the list.

19. What is the rebasing mitigation relief methodology?

The methodology is described in detail [here](#).

20. How is Medicaid revenue computed for the 2 percent stop-loss provision?

Homes that are not defined by DOH to be financially fragile and that have a net negative impact from rebasing, Medicaid-only CMI and scaleback, receive relief of 50 percent of the estimated net loss attributable to rebasing, Medicaid-only CMI and scaleback as calculated using the data available at the end of March 2011. Those whose net loss from rebasing, Medicaid-only CMI and scaleback still exceeds 2 percent of their annual pre-rebasing Medicaid revenue receive additional relief to ensure that this impact does not exceed 2 percent. For the purpose of the 2 percent provision, Medicaid revenue is calculated by multiplying the pre-rebasing rate without capital and without the 2008 and 2009 trend factors by 2009 Medicaid days, appropriately weighted for Medicare Part B and D eligibility.