Agenda

Nursing Home Industry Meeting
Wisconsin Medicaid Nursing Facility Payment Methods

Monday, May 1, 2017
10 a.m. - 12 p.m.
Conference Room 751

1. Welcome and opening remarks – Rene Eastman
   a. Methods finalization and rate-setting timeline
   b. Providing Additional Information
      i. Medicare cost reports
      ii. Provider Statistical & Reimbursement (PS&R) reports
   c. Billing Reminders

2. Methods changes – Rene Eastman
   a. Proposed Changes for July 1st, 2017
      i. Lease maximums when previously owned (s. 3.523(2))
      ii. Removing add-ons for separately billable items (ss. 3.810, 3.811, and 3.812)
      iii. Increasing the $0.05 threshold for material adjustments (s. 4.120)
      iv. Removing references to “Resident Living Staff” (s. 2.110)
      v. Employee vaccines (s. 1.308)
      vi. Resident televisions (s. 3520)
      vii. Routine clarifications and edits
      viii. Biennial budget requirements
   b. Future Considerations
      i. Resource Utilization Group (RUG) - based billing
      ii. Property workgroup

3. Preliminary rate modelling estimates – Jim Robinson
   a. Case mix index / acuity trend estimate
   b. Patient days trend estimate

   a. Components
   b. December 31 picture date tabulation
   c. Incentive calculations

5. Next Steps – Rene Eastman
   a. 2nd Public Meeting – July 12
   b. 3rd Public Meeting – August 23
Nursing Home Methods

Public Meeting - May 1, 2017
10 a.m. – 12 p.m.
1 West Wilson, Room 751
Presenters

Rene Eastman, Section Chief
Nursing Home Policy and Rate Setting
Division of Medicaid Services

Jim Robinson, Director
Center for Health Systems Research and Analysis (CHSRA) UW-Madison
Agenda

- Welcome and opening remarks (Rene)
- Proposed *Methods* changes (Rene)
- Preliminary rate modeling estimates (Jim)
- Behavioral/Cognitive Impairment Access and Improvement Incentives (Jim)
- Next steps (Rene)
Opening Remarks

Welcome!

• Housekeeping Items
  ▪ Sign-in sheet
  ▪ Teleconference attendance
    ▪ Mute button policy

• Meeting Materials Available on
  https://www.dhs.wisconsin.gov/nh-rates/index.htm
Opening Remarks

• 2016 Cost Report Due Date Reminder
  ▪ [https://orbs.chsra.wisc.edu/](https://orbs.chsra.wisc.edu/)

• Providing Additional Information
  ▪ Medicare Cost Reports
  ▪ PS&R (Provider Statistical and Reimbursement) Reports
Billing Reminders

- Screenings for developmentally disabled and mentally ill residents are required every two years to continue increased reimbursement
- National Provider Identification (NPIs) on assessments should match claims after changes of ownership
Proposed *Methods* Changes

*Lease Maximum when previously owned – s. 3.523(2)*

- Updating the text in (2) to read: “Lease Maximum determination for previously owned but never leased. If a facility is leased during the current cost reporting period but was not previously leased, the lease maximum will be the allowable depreciation, interest, and amortizations from the property section of the latest rate calculation, increased by one half of the Consumer Price Index for the cost report periods.”

- Removing the sentence: “If a facility is unable to provide adequate support of the dates of asset acquisition, the procedure under Section 3.522 for imputing average years of ownership may be applied.”
Proposed *Methods* Changes

**Add-Ons for Separately Billable Items**

– ss. 3.810, 3.811, and 3.812

- Sections currently contain an option for receiving a per patient per day add-on to the daily rate in lieu of billing separately for specifically identified cover services and materials.

- Only two facilities currently make use of this provision.
Proposed *Methods* Changes

**Material Adjustments – s. 4.120**

Raise the threshold for material adjustments from $0.05 per day to $0.50.
Proposed *Methods* Changes

*Direct Care Nursing Services – s. 2.110*

Removing references to “Resident Living Staff”
Proposed *Methods* Changes

*Fringe Benefits*—s. 1.308

Clarify whether employee vaccines qualify
Proposed Methods Changes

Allowable Property-Related Expenses – s. 3.520

Clarify that resident televisions are not medically necessary for providing nursing home patient care
Proposed *Methods* Changes

Clarifications and Edits

**Routine Methods language edits**

- Updates will be made to effective dates and rate periods
- Formatting fixes, spelling errors, and similar typographical errata will be corrected as identified
Proposed *Methods* Changes

**Biennial Budget Requirements**

- Rate-setting methodology will need to operate within the fiscal parameters of the 2017-19 Budget, which have yet to be finalized.
- Changes to the Behavioral/Cognitive Impairment Incentives may be made to address legislative priorities.
Proposed *Methods* Changes

**Future Methods considerations**

- Resource Utilization Group (RUG) - based billing
- Property workgroup
Preliminary Rate Modeling Estimates

Case Mix Index (CMI) trend estimate
Patient days trend estimate

Jim Robinson, CHSRA
Behavioral/Cognitive Impairment Incentives

Methodology Overview

Jim Robinson, CHSRA
Next Steps

Upcoming Public Meetings

- July 12
- August 23
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Behavioral/Cognitive Impairment (BEHCI) Access and Improvement Incentive Overview

Components
- December 31 picture date tabulation
- Incentive calculations

3.657 Behavioral/Cognitive Impairment (BEHCI) Access and Improvement Incentives

The funding available for the SFY2017 BEHCI Incentive will be distributed as two incentives. Half of the funding will be distributed as an Access Incentive and half will be distributed as an Improvement Incentive.

To calculate the BEHCI Access and Improvement Incentives the Department will apply two scores, an Access Score and an Improvement Score, to each resident based on values defined by:

- The MDS elements listed in section 5.971; and
- Acuity categories ranging from 0 to 5 based upon psychiatric and related diagnosis codes under the International Classification of Diseases, version 9 or 10 (ICD-9/10), as organized via decision rules promulgated under the nationally-recognized Chronic Illness and Disability Payment System (CDPS).

The BEHCI Access and Improvement Scores are based on index values aggregated at the facility level, calculated using data available for Title 19 FFS Non-DD residents present in the facility on the last day of the second quarter of the fiscal year (December 31, 2014) that also had a RUGable MDS assessment on or prior to that date. The BEHCI Access and Improvement Scores are only calculated for individuals when they have both a RUGable MDS assessment and a CDPS score greater than zero. Non-RUGable MDS Assessments or MDS Assessments that do not coincide with a CDPS score greater than zero are excluded and treated as a break in stay for the purposes of the BEHCI Incentive. Only MDS Assessments completed since October 1, 2010 are included in the BEHCI Incentive calculations.

**BEHCI Access Incentive**

The Access Score for each resident is calculated by subtracting 1.00 from the higher of the resident’s first two available MDS Behavioral Scores and setting any negative results to zero. The first and second MDS behavioral scores are defined as the resident’s first and second scores after whichever of the following Starter Events occurred most recently:

- Admission to the facility;
- A change in the PopID;
- A break in stay of more than 30 days;
- October 1, 2010.

The BEHCI Access Incentive is determined by multiplying the BEHCI Access Score by the BEHCI Access Base Rate in Section 5.460.

**BEHCI Improvement Incentive**

The Improvement Score for each resident is calculated using the six most recent RUGable MDS Behavioral Scores since the Starter Event determined for the BEHCI Access Incentive. If fewer than six RUGable MDS Behavior Scores exist, all available scores are used.

First, an Improvement Baseline is set. If the Starter Event occurred far enough in the past that the resident has more than six available MDS Behavioral Scores, the Improvement Baseline is set to the fifth most recent MDS Behavioral Score. If six or fewer MDS Behavioral Scores are available, the Improvement Baseline is set to the greater of the two earliest available MDS Behavioral Scores. Next, the Improvement Score is determined by a) calculating the change from the Improvement Baseline to the average of the MDS Behavioral Scores that remain after excluding the two earliest MDS Behavioral Scores; b) setting negative results to zero; and c) multiplying the calculated change by a CDPS factor ranging from zero to five. The CDPS factor is the CDPS score that the individual had on the date of the MDS Behavioral Score used for the BEHCI Access Incentive.

The BEHCI Improvement Incentive is determined by multiplying the Improvement Score by the BEHCI Improvement Base Rate in Section 5.460.

**5.460 Behavior/Cognitive Impairment Incentives**

- The Behavior/Cognitive Impairment Access Incentive Base Rate is $0.468
- The Behavior/Cognitive Impairment Improvement Incentive Base Rate is $0.454
## 5.971 BEHCI – MDS Behavioral Score

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