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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

4. Behavioral/Cognitive Impairment (BEHCI) Access and Improvement Incentive overview – Jim Robinson
 - 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/>
- Providing Additional Information
 - Medicare Cost Reports
 - PS&R (Provider Statistical and Reimbursement) Reports



Opening Remarks

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

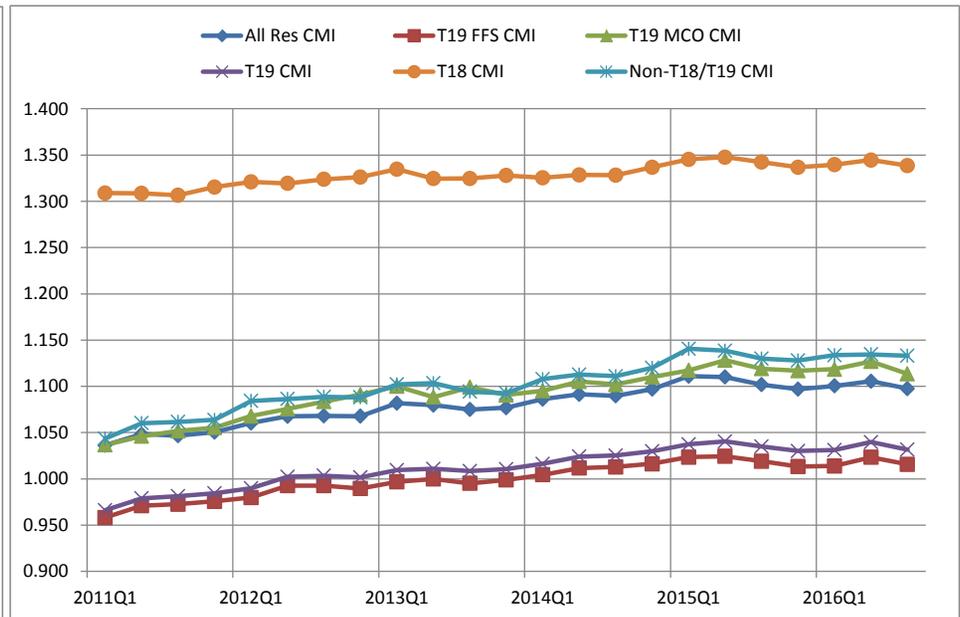
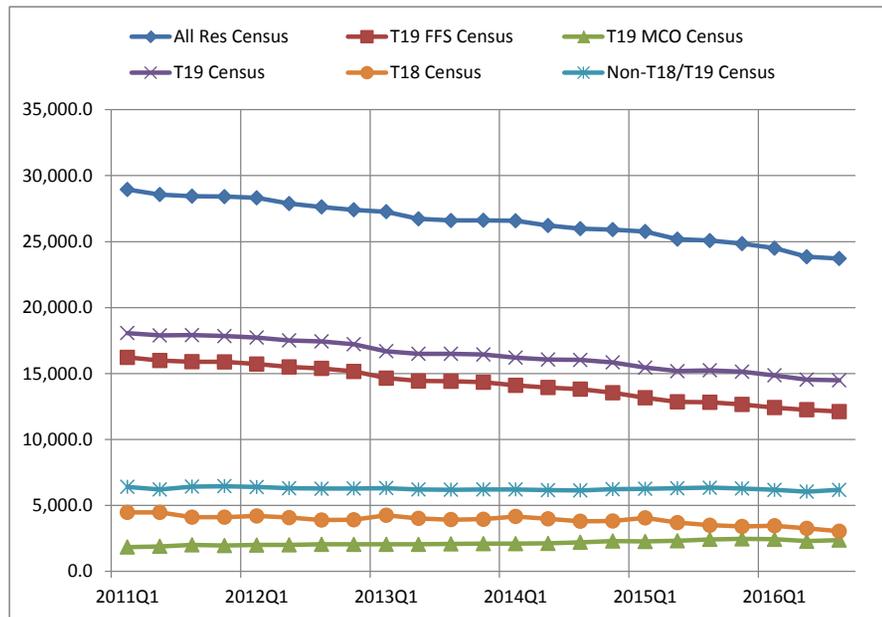
- July 12
- August 23

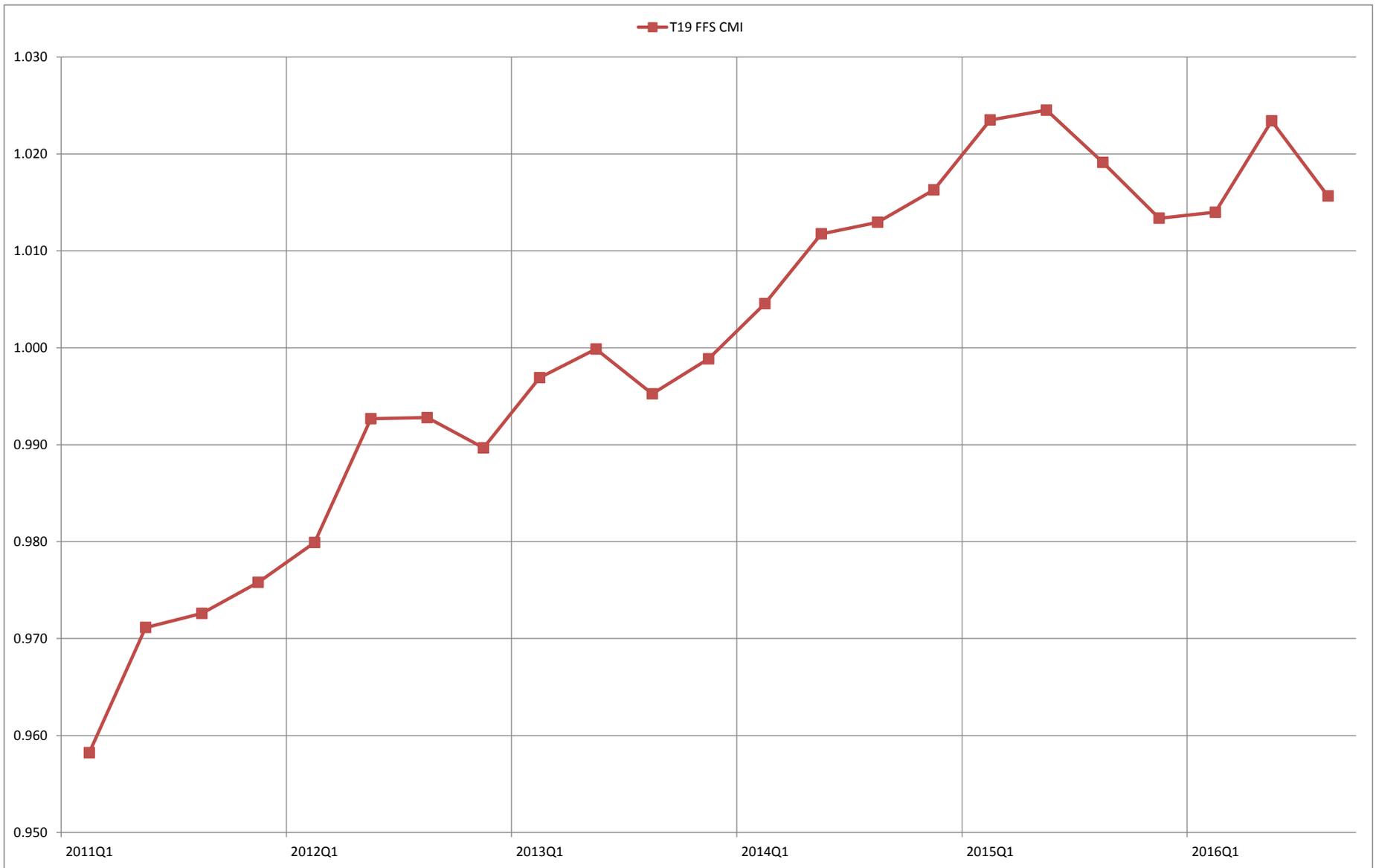


WI Nursing Home Census and Case Mix History

Excludes state owned/operated facilities and non-Medicaid facilities; excludes DD, vent. and TBI residents

Picture Quarter	Rate Quarter	All Res Census	T19 FFS Census	T19 MCO Census	T19 Census	T18 Census	Non-T18/T19 Census	All Res CMI	T19 FFS CMI	T19 MCO CMI	T19 CMI	T18 CMI	Non-T18/T19 CMI
2011Q1	2011Q4	28,957.3	16,231.2	1,843.4	18,074.6	4,473.5	6,409.2	1.036	0.958	1.037	0.966	1.309	1.043
2011Q2	2012Q1	28,574.0	15,996.2	1,896.6	17,892.8	4,472.6	6,208.5	1.048	0.971	1.046	0.979	1.309	1.060
2011Q3	2012Q2	28,453.1	15,900.4	2,012.7	17,913.0	4,117.7	6,422.4	1.047	0.973	1.052	0.982	1.307	1.062
2011Q4	2012Q3	28,416.0	15,881.0	1,954.5	17,835.5	4,118.0	6,462.5	1.051	0.976	1.055	0.985	1.315	1.064
2012Q1	2012Q4	28,319.2	15,718.7	2,004.5	17,723.2	4,202.9	6,393.1	1.060	0.980	1.068	0.990	1.321	1.084
2012Q2	2013Q1	27,888.7	15,497.1	2,008.7	17,505.9	4,078.2	6,304.7	1.068	0.993	1.075	1.002	1.319	1.086
2012Q3	2013Q2	27,624.9	15,389.2	2,057.1	17,446.3	3,901.4	6,277.2	1.068	0.993	1.084	1.004	1.324	1.089
2012Q4	2013Q3	27,414.8	15,164.4	2,050.3	17,214.7	3,912.6	6,287.5	1.068	0.990	1.091	1.002	1.326	1.088
2013Q1	2013Q4	27,265.5	14,649.4	2,047.9	16,697.2	4,252.9	6,315.4	1.082	0.997	1.100	1.010	1.335	1.102
2013Q2	2014Q1	26,731.5	14,440.4	2,058.6	16,499.0	4,022.2	6,210.4	1.080	1.000	1.088	1.011	1.325	1.104
2013Q3	2014Q2	26,606.2	14,407.2	2,085.1	16,492.3	3,926.3	6,187.5	1.075	0.995	1.099	1.008	1.325	1.094
2013Q4	2014Q3	26,611.9	14,337.1	2,104.0	16,441.0	3,957.7	6,213.2	1.077	0.999	1.091	1.011	1.328	1.093
2014Q1	2014Q4	26,582.8	14,106.1	2,095.6	16,201.8	4,170.5	6,210.5	1.086	1.005	1.095	1.016	1.325	1.108
2014Q2	2015Q1	26,214.1	13,940.7	2,125.9	16,066.6	3,995.6	6,151.9	1.091	1.012	1.105	1.024	1.329	1.113
2014Q3	2015Q2	25,980.6	13,826.3	2,206.6	16,032.8	3,802.8	6,144.9	1.090	1.013	1.102	1.025	1.328	1.111
2014Q4	2015Q3	25,912.3	13,551.2	2,301.4	15,852.7	3,831.8	6,227.9	1.097	1.016	1.110	1.030	1.337	1.120
2015Q1	2015Q4	25,772.1	13,172.2	2,272.9	15,445.1	4,063.6	6,263.5	1.111	1.024	1.117	1.037	1.345	1.141
2015Q2	2016Q1	25,187.0	12,850.9	2,328.6	15,179.5	3,703.7	6,303.8	1.110	1.025	1.128	1.040	1.348	1.139
2015Q3	2016Q2	25,084.4	12,814.1	2,426.4	15,240.4	3,497.4	6,346.6	1.102	1.019	1.119	1.035	1.342	1.130
2015Q4	2016Q3	24,841.0	12,667.7	2,474.4	15,142.1	3,406.5	6,292.4	1.097	1.013	1.117	1.030	1.337	1.128
2016Q1	2016Q4	24,506.3	12,422.8	2,437.1	14,859.9	3,462.0	6,184.4	1.101	1.014	1.118	1.031	1.340	1.134
2016Q2	2017Q1	23,855.0	12,251.5	2,292.9	14,544.4	3,257.1	6,053.5	1.105	1.023	1.127	1.040	1.345	1.135
2016Q3	2017Q2	23,712.0	12,119.5	2,368.1	14,487.6	3,044.2	6,180.2	1.097	1.016	1.113	1.032	1.339	1.133





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 calculated 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

<u>VARIABLE</u>	<u>CODE</u>	<u>WEIGHT</u>
WANDERING:		
E0900 Wandering Presence & Frequency	1	0.40
	2	0.80
	3	1.20
E01000A Wandering Impact	1	1.50
E01000B Wandering Impact	1	1.50
BEHAVIOR SYMPTOMS:		
E0200A Physical directed toward others	1	0.60
	2	1.20
	3	1.80
E0200B Verbal directed toward others	1	0.60
	2	1.20
	3	1.80
E0200C Other symptoms	1	0.60
	2	1.20
	3	1.80
E0500A Risk of physical injury	1	1.50
E0500B Interferes with care	1	0.75
E0500C Interferes with activities	1	1.50
E0600A Others at risk	1	1.50
E0600B Intrudes on others	1	0.75
E0600C Disrupts care	1	0.75
E0800 Rejects care	1	0.60
	2	1.20
	3	1.80
SEVERITY SCORE:		
D0300 Resident Mood Interview 15 or greater		1.50
D0600 Staff Assessment of Mood 15 or greater		1.50
LOCOMOTION:		
G0110E Resident movement	0	1.00
	1	0.75
	2	0.75