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**State of Wisconsin**  
Department of Health Services

**DIVISION OF LONG TERM CARE**

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## Agenda

### Nursing Home Industry Meeting Wisconsin Medicaid Nursing Facility Payment Methods

Wednesday, April 27, 2016

10:00 AM - 12:00 PM

Conference Room 136 – St. Croix

101 East Wilson St.

Madison, WI 53703

1. Welcome and opening remarks – Dave Varana
2. Rate-setting progress and cost report reminders – Rene Eastman
  - a. Rate-setting Progress
  - b. Deadline for 2015
3. Potential *Methods* changes – Rene Eastman
  - a. Rate Setting Changes
    - i. \$2 Direct Care Target Window – s. 3.124(3)
  - b. Policy Decisions
    - i. Ventilator rate – s. 4.691
    - ii. Labor Regions – s. 5.410
  - c. Typographical corrections / edits
4. Preliminary rate modelling estimates – Jim Robinson
  - a. Case mix index / acuity trend estimate
  - b. Patient days estimate
  - c. Inflation forecast
  - d. Patient liability revenue forecast
5. Next Steps – Rene Eastman



# Nursing Home *Methods* Public Meeting

Dave Varana, Director  
Bureau of Long Term Care Financing  
Division of Long Term Care

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

April 27, 2016  
10 a.m. - 12 p.m.  
101 E. Wilson, Room 132



# Agenda

- Welcome and opening remarks
- Rate setting progress and cost report reminders
- Potential *Methods* changes
  - ✓ Rate setting changes
  - ✓ Policy decisions
  - ✓ Typographical corrections and edits
- Preliminary rate modelling estimates
  - ✓ Case mix index (CMI) trend estimate
  - ✓ Inflation forecast
- Next steps



# Opening remarks

## Welcome!

- *Housekeeping items*
  - ✓ *Sign-in sheet*
  - ✓ *Teleconference attendance*
  - ✓ *Use of mute button*
- *Meeting materials available on*  
<https://www.dhs.wisconsin.gov/nh-rates/index.htm>



# Rate setting progress

- New Auditors
- 2015 Cost Report Due Date Reminder
  - ✓ <https://orbs.chsra.wisc.edu/>



# Proposed *Methods* Changes

## *Potential Rate Change*

### ***Direct Care Target Window – s. 3.124(3)***

- Does not affect auditor scrutiny
- Removal will result in a more fair allocation of resources and more efficient rate-setting process



# **Proposed *Methods* Changes**

## *Potential Rate Change*

### ***Ventilator Rate Review – s. 4.691***

- Results of supplemental cost reports and access review
- Policy decision required by the Department



# **Proposed *Methods* Changes**

## *Potential Methodology Change*

### ***Labor Region Review – s. 5.410***

- Origins of review
- Bureau of Labor Statistics proposal
- Policy decision required by the Department
- Legislative action required for change
- Invitation to comment



# 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



# Preliminary Rate Scenario Factors

*Case Mix Index (CMI) trend estimate*

***Jim Robinson, CHSRA***



# Preliminary Rate Scenario Factors

*Patient days estimate*

***Jim Robinson, CHSRA***



# Preliminary Rate Scenario Factors

*Inflation forecast*

*Jim Robinson, CHSRA*



# Preliminary Rate Scenario Factors

*Patient liability revenue forecast*

***Jim Robinson, CHSRA***



## Next Steps

### *Key upcoming events*

- June public meeting
- August public meeting
  - ✓ Scenario modelling results



# Thank You

*The annual Methods update process relies on provider feedback and expertise.*

*The audit team appreciates your engagement and commitment.*