



WISCONSIN DEPARTMENT
of HEALTH SERVICES

Public Provider Meeting Nursing Home Payment Rates

Public Meeting
July 24, 2023
3 p.m.–4 p.m.

Presenters

- David Albino, DHS, BRS Deputy Director
- Beth Collier Vail, Myers & Stauffer
- Jim Piekut, Optumas

Agenda

- Welcome – staffing updates
- Cost report and SFY24 audit process updates
- Biennial budget update
- Modelling and SFY24 base rates
- SFY24 methods changes
- Open discuss/questions

Welcome – staffing updates

- Auditors:
 - David Perez
 - Susan Hurley
- IT Analyst:
 - Kshitiz (Tiz) Maharjan
- Program and Policy Analyst:
 - Kim Hartzheim

Cost report and audit process updates

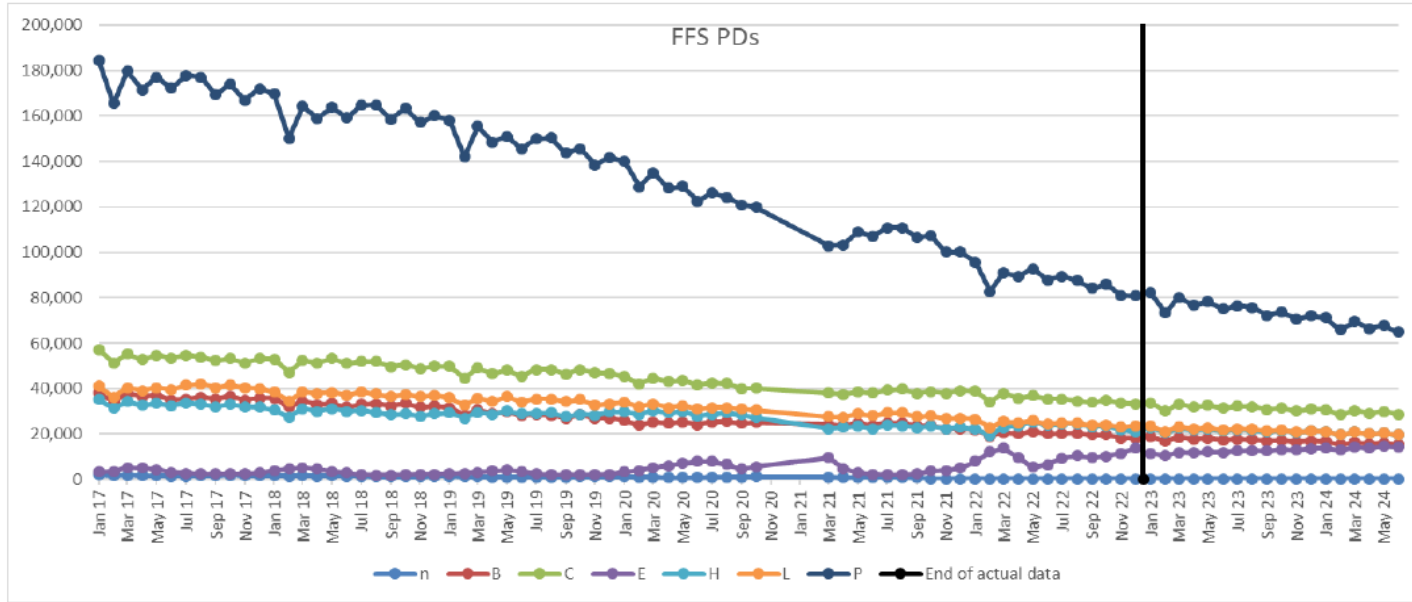
- DHS auditors will send single request for documentation due to desk review.
 - Facilities have 30 calendar days to provide a single WINHRS upload in response.
- DHS auditors will send draft final rate to provider.
 - Facility has 15 days to notify if they intend to provide additional documentation, otherwise rate is finalized.
 - Facility has total of 30 days to provide a single WINHRS upload in response, otherwise rate is finalized.
- DHS auditor will then finalize rate.
- Facility may elect a single “Material Adjustment” WINHRS upload 1.71 (may be re-numbered in SFY24). Rate calculation then final.
- Appeals to Section Manager based solely off already submitted documentation.

Biennial Budget Update

- Increase the monthly MA personal needs allowance from \$45 to \$55 and increase MA benefits by \$2.06 million in SFY25.
 - This item does not impact Rate Setting.
- Provide \$146.4 million to increase NH support services (\$73.2 million each in SFY24 and SFY25)
 - DHS to implement a priced rate for NH support services based on median facility costs plus 25%
- Provide \$31.2 million (\$15.6 million each in SFY24 and SFY25) to fund the cost of excluding NH incentive payments from the support services profit limitation calculation. DHS to exclude provider incentives when determining the total rate adjustment to allowable costs
- Provide \$10 million (\$5 million each in SFY24 and SFY25) to increase the all-encompassing vent-dependent resident daily reimbursement rate from \$726 to \$926 PPD

Modelling and SFY24 base rates

FFS Patient Days

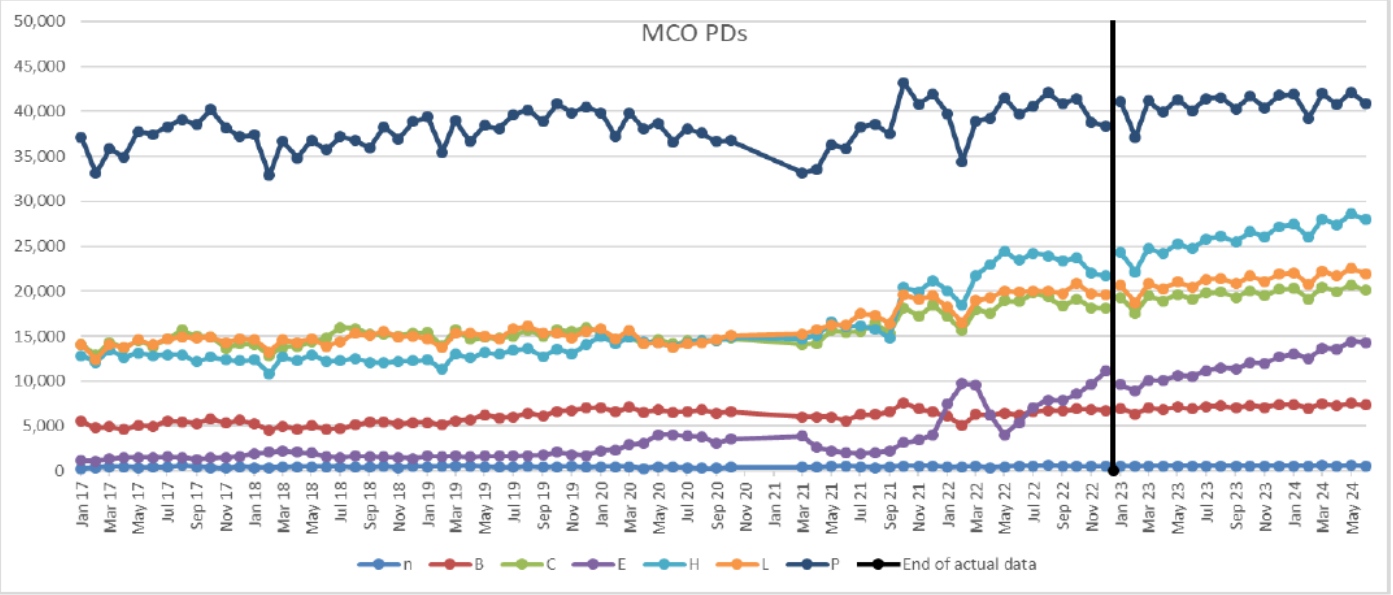


Acuity Group Key

n not defined (delinquent days, assessment not PDPM-able, etc.)
 B Behavior/Cognitive Impairment
 C Clinically Complex

E Extensive Services
 H High Special Care
 L Low Special Care
 P Reduced Physical Function

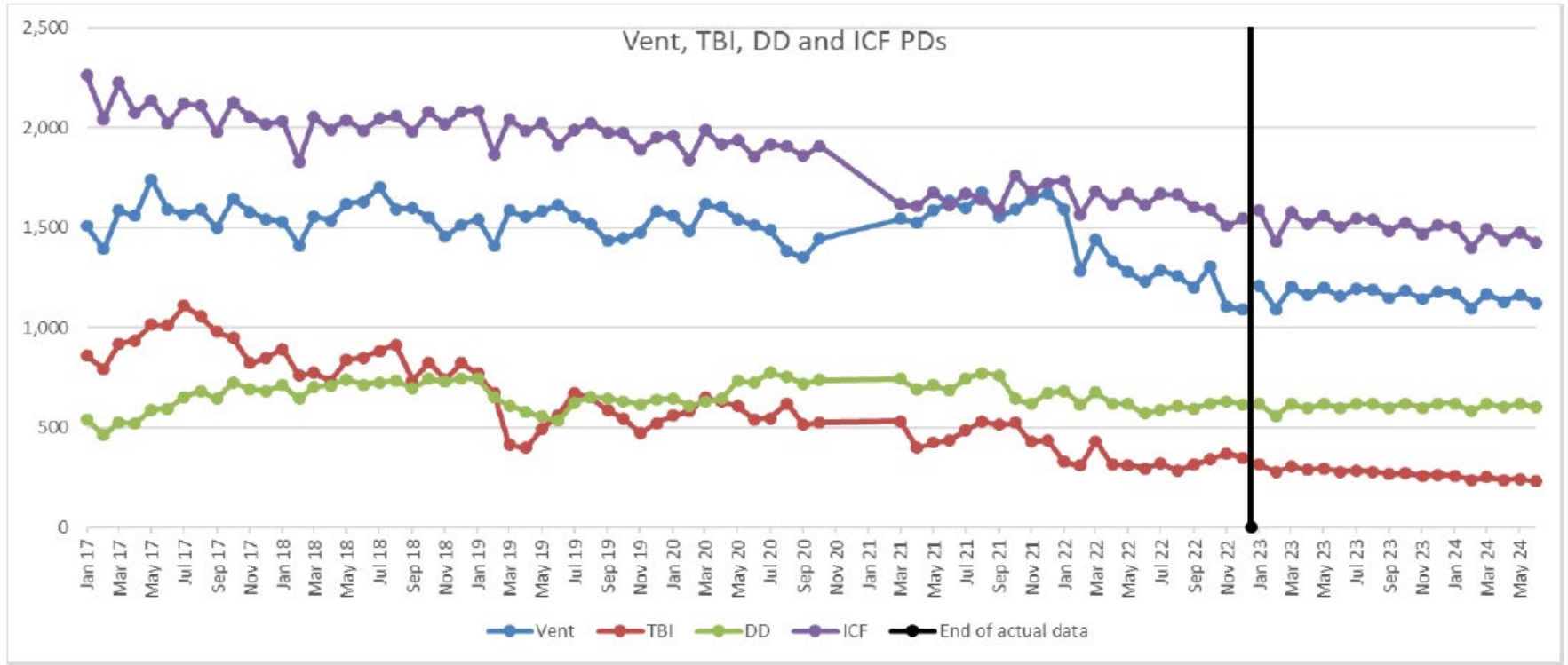
MCO Patient Days



Acuity Group Key

- n not defined (delinquent days, assessment not PDPM-able, etc.)
- B Behavior/Cognitive Impairment
- C Clinically Complex
- E Extensive Services
- H High Special Care
- L Low Special Care
- P Reduced Physical Function

Vent, TBI, DD and ICF-IID Patient Days



Patient Days

Patient Days			
	SFY 2022 (Actual)	SFY 2023 (Projected)	SFY 2024 (Projected)
FFS NonDD	2,565,357	2,281,708	2,056,778
MCO	1,284,013	1,436,154	1,563,829
DD	27,949	26,027	25,131
Vent	17,898	14,283	13,900
TBI	4,915	3,735	3,087

Acuity Modelling

Case Mix Index*								
PDPM Nursing		SFY 2022 Actual	SFY 2023 Projections		SFY 2024 Projections			
			Parity Adjustment 10/1/2022 2.76%		Parity Adjustments 10/1/2022 10/1/2023 2.76% 2.74%			
FFS	1.0933	1.1391	1.1077	1.1662	1.1340	1.1029		
MCO	1.2410	1.2938	1.2581	1.3262	1.2896	1.2543		
PDPM NTA		SFY 2022 Actual	SFY 2023 Projections		SFY 2024 Projections			
			Parity Adjustment 10/1/2022 2.96%		Parity Adjustments 10/1/2022 10/1/2023 2.96% 2.47%			
FFS	0.9653	0.9813	0.9523	0.9902	0.9609	0.9372		
MCO	1.0862	1.1105	1.0776	1.1254	1.0921	1.0651		

*Parity adjustments accompanied with upward base rate adjustments.

SFY24 Direct Care Base Rates

- Direct Care Nursing payment standard:
 - Median of costs + 25%.
- Calculated from initial cost report submissions.
 - Median: \$109.96
 - +25%: \$137.45 (12% increase from SFY23)
- Direct Care base rates affected by CMS Parity Adjustments.

CMS Parity Adjustment

- CMS-1765-F
- Downward revision in Medicare PPS CMI to target 4.6% downward revision to costs to meet budget neutrality requirements phased in over two Federal Fiscal Years

CMS Parity Adjustment

- CMS Medicare SNF PPS CMIS
 - Revision effective 10/1/22
 - Revision effective 10/1/23
- Case mix rescaled weight calculations (on P2 of Ecopy) will continue to use CMIs from before the downward revisions.
- All resident CMI adjustments will be made when normalizing costs and arriving at Case Mix Neutral expenses.

CMS Parity Adjustment

Special Rate Classifications - CMIs Methods Section 2.42 CMIs effective 1/1/2022			Average 2.76% adjustment (WI Weights) CMIs Effective 10/1/2022		Average 2.96% adjustment (WI weights) CMIs Effective 10/1/2022		Average 2.74% adjustment (WI Weights) CMIs Effective 10/1/2023		Average 2.47% adjustment (WI weights) CMIs Effective 10/1/2023	
Description	PDPM Nursing	PDPM NTA	PDPM Nursing	PDPM NTA	PDPM Nursing	PDPM NTA	PDPM Nursing	PDPM NTA	PDPM Nursing	PDPM NTA
Non-DD Bedhold	0.32	0.23	0.31	0.22	0.30	0.21	0.30	0.21	0.30	0.21
DD	2.50	1.80	2.43	1.75	2.36	1.71	2.36	1.71	2.36	1.71
DD Bedhold	1.38	0.99	1.34	0.96	1.30	0.94	1.30	0.94	1.30	0.94
Ventilator	5.00	3.60	4.86	3.49	4.73	3.40	4.73	3.40	4.73	3.40
Hospice R&B (100%)	1.45	1.05	1.41	1.02	1.37	0.99	1.37	0.99	1.37	0.99
Downward adjustment as multiplier:			0.9724	0.9704	0.9726	0.9753	0.9726	0.9753	0.9726	0.9753

CMS Parity Adjustment

The downward CMI changes have been offset with an upward revision in the following direct care base rates as shown below:

Direct Care Base Rates	SFY 2023 Rates		SFY 2024 Rates	
	7/1/2022	10/1/2022	7/1/2023	10/1/2023
Nursing Services Base (NF and ICFs-IID)	\$ 122.68	\$ 126.31	\$ 137.45	\$ 141.22
Other Direct Care Supplies and Services Base (NF and ICFs-IID)	\$ 16.46	\$ 16.95	\$ 16.95	\$ 17.37

SFY 2024 Ecopies will list rates effective 7/1/2023 and 10/1/2023

Acuity specific billing and claims processing will use the CMS Medicare SNF PPS CMIs effective for the dates of service.

Support Services

- Support Services is a priced component of the rate and therefore not affected by the CMS parity adjustment.
- Support Services payment standard:
 - Median of costs + 25%.
- Calculated from initial cost report submissions.
 - Median: \$126.18
 - +25%: \$157.73 (75.9% increase from SFY23 \$89.65)

Property

- DHS met with a group of associations, audit firms, and providers.
- Consensus to inflate the URC per-bed to SFY24.
 - SFY09-23:\$75,900
 - SFY24: \$96,735 (27.5% increase from SFY23)

Appraisals

- DHS will not use appraisals for SFY24 rate setting.
- DHS will apply an inflation factor to URC and DRC for all facilities, also incorporated into URC per bed inflation calculation.
- DOR classifies nursing homes as residential properties.
- Growth in equalized value of residential properties in 2022: 14.95%.

SFY24 other rates

- TBI: \$980
 - Increase of 3.4% from SFY23 \$947
- VENT: \$926
 - Increase of 27.5% from SFY23 \$726
- SPRS: \$24.19
 - Increase of 3.4% from SFY23 \$23.39

Inflation factors

	January February March 2022	April May June 2022	July August September 2022	October November December 2022
Direct Care Wages	7.9%	7.3%	5%	3.4%
Direct Care Fringe Benefits	5.4%	4.8%	4.3%	3.5%
Direct Care Supplies/OTC Drugs	7.9%	4.8%	3.4%	2.7%
Direct Care Purchased Services	9.96%	7.4%	5.4%	4%
Support Services	8.4%	6.3%	3.8%	2.6%

SFY24 Methods Changes

- COVID related language removed.
- Pro-active COVID related direct care nursing expense increase removed.
- Clarify DHS intent to pay no more than 9% of property costs in a given rate year.
- BehCI update due to Section G discontinuation.
 - Language update reflects association's input.
- Incorporate existing definition of fifty bed facilities into small facility incentive language.
- Revert vaccination reimbursement to pre-covid.
- Hold harmless payments discontinued as of SFY24.

SFY24 Methods Changes (cont'd)

- Appeals language revision
- Audited financials required for SFY25 cost report submissions.
 - DHS will participate in Medicaid proportional share of audit costs.
 - DHS engaging with external workgroup to articulate supplemental information requirements.

Rosters and Hold Harmless update

- Hold harmless payments dependent on rosters.
- Identified errors corrected.
- CY21 Q4 rosters uploaded to forward health (NHs and MCOs).
 - Any providers with roster impacted SFY23 rate contacted.
- Timeline for remaining rosters and hold harmless payments forthcoming.
- Providers to contact Myer's and Stauffer with any questions.

Next steps

- DHS working on setting interim rates for SFY24.
 - MCOs will be directed to use these rates for DOS 7/1/23 onward.
- DHS and Myers and Stauffer working on getting 10/1/22 rates updated.
- DHS will send a Gov-D announcement when 10/1/22 CMIs uploaded into ForwardHealth. This will cause claims re-processing.

Open discussion/questions

Thank you

- Gov-D sign-up:
 - https://public.govdelivery.com/accounts/WIDHS/subscriber/new?topic_id=WIDHS_49
- Please send questions/comments to DHSDMSBRS@dhs.Wisconsin.gov