



13 British American Blvd. | Suite 2 | Latham, New York 12110 | P 518.867.8383 | F 518.867.8384 | www.leadingageny.org

MEMORANDUM

TO: RHCF Members

FROM: Darius Kirstein, Senior Policy Analyst

DATE: October 19, 2015 (revised Oct. 20)

SUBJECT: Nursing Home Medicaid Reimbursement Issues

ROUTE TO: Administrator, CFO

Introduction

With the state's fiscal year halfway through, DOH provided LeadingAge NY and other associations a number of updates on Medicaid reimbursement related issues and initiatives last week.

Universal Settlement

DOH attorneys are finalizing the release documents that each home will be asked to sign. When complete, the documents with a home-specific addendum listing items excluded from the settlement will be made available to each home. This listing will reflect any reconsiderations DOH made in response to the most recent opportunity for homes to provide additional materials to support exclusions DOH had originally denied. DOH is contemplating three mass signing events (NYC, Capital Region and Western NY) in November to help expedite the process.

Although no Medicaid State Plan Amendment is required, the Centers for Medicare and Medicaid Services (CMS) must agree to the settlement. DOH has briefed CMS staff and expects

approval when the final release documents are presented to them. If the process follows the expected schedule and if all signings are complete, the first payment may be made as early as December. Recent background on the issue is available [here](#).

2016 Capital Rates

DOH has established a streamlined process to correct capital component errors while avoiding appeals. Providers that identify errors in the Department's calculation will be able to submit a corrected capital component calculation along with supporting documentation and an attestation form (available on the HCS) certifying that the calculation being submitted is correct to the best of their knowledge.

DOH will do a brief review of the calculation but final, comprehensive review will be performed by the Office of Medicaid Inspector General (OMIG). **Capital rate sheets for 2016 were posted to the Health Commerce System (HCS) on Oct. 19th with any rate corrections and attestations due by December 4, 2015.**

Advanced Training Initiative

Last week, DOH notified qualifying homes that they are eligible to apply for funding to institute a training program for their staff aimed at early identification of changes in residents' mental or physical status that could lead to hospitalization. This implements a \$46 million initiative that was included in the 2015-16 State Budget. Background on this issue is available [here](#).

Homes with a nursing and therapy staff retention rate above the statewide median of 80.3 percent as calculated using RN, LPN and therapy employee (not contract staff) data on Schedule P of the 2014 Medicaid Cost Report are eligible to apply unless excluded. Hospital-based homes and homes that have received Vital Access Provider (VAP) grants are excluded.

Homes are encouraged, although not required, to partner with one of the training partners listed on the application and select from a list of established training programs. LeadingAge NY is one of three listed training partners and we encourage members interested in learning more about the training programs we offer to contact Elliot Frost (efrost@leadingageny.org).

Applications are due Oct. 30 so qualifying homes should act quickly. Although qualified homes should have received e-mail notification from DOH, please contact us if you are uncertain of your home's status.

MDS Audits and 5 Percent CMI Constraint

DOH has forwarded rate revisions stemming from 2012 MDS audit findings to the Division of the Budget (DOB). Once approved, homes with MDS audit findings will receive retroactive rate adjustments reflecting the findings and the five percent Case Mix Index (CMI) constraint on 1/1/13 rates will be removed. DOH hopes to send revised rates based on 2013 MDS audit findings to DOB in November.

Although DOH is uncertain when they will be published and paid, staff is working to incorporate the January 2015 CMI into July 2015 rates as quickly as possible. After the 2016 rates are published DOH will prioritize reconciliation of 2014 cash receipts assessment payments.

The roster submission process has highlighted an important issue of which members should be aware. Homes should file an MDS with CMS for any resident that may be listed on their case mix census roster, even if not required by regulations. DOH reports that missing MDSs are becoming a more frequent occurrence resulting in damage to the home's CMI because ANY resident on the roster without an MDS match in the CMS database is presumed to be Medicaid and defaults to the lowest RUG category. Please ensure that your MDS Coordinator is aware of this dynamic.

Quality Pool and 1 Percent Rate Increase

Rate adjustments for the 2013 and 2014 Nursing Home Quality Initiative (NHQI) remain on hold as DOH attempts to resolve outstanding litigation. While DOH has filed the Medicaid State Plan Amendment to increase nursing home Medicaid rates by approximately one percent to reinvest moneys collected by the 0.8 percent assessment, there is no way to estimate when this funding will flow. Background on the issue is available [here](#).

Sharing Savings Stemming from Refinancing

DOH anticipates receiving CMS approval soon for the 2015-16 State Budget provision that would allow the state to share with the provider half of the savings accruing to Medicaid from a mortgage refinancing arrangement. This initiative will cover refinancings entered into on or after April 1, 2015. As part of this initiative, DOH hopes to expedite their review of refinancing requests so as to respond to these within 30 days.

Energy Efficiency Audits

DOH and the New York State Energy Research and Development Authority (NYSERDA) have been discussing the initiative included in the most recent State Budget to provide energy audits for a small group of nursing homes. The goal of the audits would be to identify needed energy improvements and provide intelligence for developing a program to help homes obtain financing to make the energy efficiency improvements identified by the energy audits. While the cost of the energy audits would be covered by the state, homes that are part of the initiative would be required to pay an estimated \$15,000 for the audit and have the amount reimbursed through the rate appeals system. DOH is aiming to get this program underway this calendar year. Homes that participate in the audits will be under no obligation to make the suggested changes.

Neurodegenerative Specialty Units and Young Adult Demonstrations

Pursuant to a 2015-16 State Budget provision, the state convened a workgroup on investigating how to best serve individuals with neurodegenerative conditions such as Huntington's Disease.

Recent discussions suggest that the state will establish a new category of specialty units with a discrete rate, but work is still needed to gauge the costs involved in serving these residents. It is unlikely that a rate methodology will be developed this year.

Also included in the Budget was an initiative calling for up to three projects to serve young adults who have “aged out” of pediatric homes. DOH will send a Letter of Interest to those organizations that DOH deems fit the criteria established by the legislation to gauge their interest in participating in the program.

We remind members that the July 2015 census roster submission process is ending this Friday, Oct. 23rd. Submissions will be the basis of the case mix adjustments made to 1/1/16 Medicaid rates. Please keep upcoming due dates in mind and contact me (dkirstein@leadingageny.org; 518-867-8841), or Dan Heim (dheim@leadingageny.org, 518-867-8383) with questions. As always, we will keep members updated on the latest developments.