

CMI and the Impending Freeze

Aug. 23, 2023

Agenda:

- Outline what we know about upcoming changes
- Review how Medicaid rates are currently adjusted for acuity
- Discuss key considerations for ensuring sound practices and MDS assessment accuracy



Why Now?

- ▶ Precipitated by October 1, 2023 changes to the MDS
 - ▶ CMS limiting its support for RUGs
 - ▶ States that use RUG case mix systems must adjust
 - ▶ NY State opting to discontinue current RUG-III methodology and shift to a PDPM-like model
 - ▶ Unclear exactly how the new methodology will look
 - ▶ State working with experienced consulting firm to develop and implement
 - ▶ Opportunity for rebasing?

The Knowns and the Unknowns

- ▶ State will have MDS data to calculate RUGs through end of Sep. 2023
- ▶ Case mix in January 2024 Medicaid Rates relies on MDS assessments with ARD spanning April 1, 2023 through Sep. 30, 2023
- ▶ Expect CMI in January 2024 rates to be frozen until new methodology is deployed
- ▶ Unclear how long the freeze will last
- ▶ Unclear whether and how the MDS data submitted during the freeze will be used in rates
- ▶ Unclear how a PDPM methodology will be implemented for Medicaid
 - ❖ RUG-III categorized each resident into one of 53 groups, each with its own “weight”
 - ❖ PDPM as used in Medicare relies on a number of components (PT, OT, nursing, ancillaries) each individually adjusted for case mix, resulting in thousands of possible combinations
 - ▶ Likely would need to be tailored to a long-stay population

Current CMI Process

- MDS assessment data categorizes each resident into a RUG
- Each RUG has an associated “weight” that is proxy for cost
- CMI = average of RUG “weights” from all Medicaid assessments
- All MDS assessments are used in calculating CMI as long as:
 - ARD falls into the set 6-month catchment time period;
 - Medicaid is the payer at the time of the ARD;
 - The assessment has sufficient information to generate a RUG score.
- All MDS assessments including those filed for residents who have since been discharged.
- Assessments are not day-weighted. RUG score weights from all eligible assessments are summed and divided by the total number of eligible assessments filed.
- Payers included in the CMI calculation: Medicaid fee-for-service (FFS), Medicaid pending, Medicaid Managed Care, and Managed Long Term Care (MLTC), including Programs of All-Inclusive Care for the Elderly (PACE) and Medicaid Advantage Plus (MAP).
- Single Medicaid rate for every Medicaid resident (reflecting average CMI)
- A .01 change in CMI equates to roughly \$1.00 - 1.25 change in Medicaid rate.
- OMIG MDS audits continue, currently auditing 2018 assessments and finalizing 2017 audits.

Rate Period Start	MDS ARD dates
January 2023	April – Sep. 2022
July 2023	Oct. 2022 – Mar. 2023
January 2024	<i>April – Sep. 2023</i>

Case Mix Data is on the Medicaid Rate Sheet

RUG III Category	Case Mix Index	Patient Count	Case Mix Total		RUG III Category	Case Mix Index	Patient Count	Case Mix Total
RUX	2.38	2.00	4.76	-	SSB	1.06		
RUL	1.98			-	SSA	1.03		
RVX	1.82			-	CC2	1.12		
RVL	1.61			-	CC1	0.98	1.00	0.98
RHX	1.62			-	CB2	0.91		
RHL	1.51			-	CB1	0.86	1.00	0.86
RMX	1.96	8.00	15.68	-	CA2	0.84		
RML	1.74	2.00	3.48	-	CA1	0.77	1.00	0.77
RLX	1.34			-	IB2	0.80		
RUC	1.82	7.00	12.74	-	IB1	0.78		
RUB	1.53	3.00	4.59	-	IA2	0.65		
RUA	1.37	2.00	2.74	-	IA1	0.61		
RVC	1.53	10.00	15.30	-	BB2	0.70		
RVB	1.39	1.00	1.39	-	BB1	0.66		
RVA	1.15			-	BA2	0.55		
RHC	1.40	33.00	46.20	-	BA1	0.47		
RHB	1.27	8.00	10.16	-	PE2	0.80		
RHA	1.12			-	PE1	0.79	1.00	0.79
RMC	1.27	38.00	48.26	-	PD2	0.72		
RMB	1.22	9.00	10.98	-	PD1	0.69		
RMA	1.17	39.00	45.63	-	PC2	0.65		
RLB	1.15			-	PC1	0.61		
RLA	0.91			-	PB2	0.57		
SE3	1.70			-	PB1	0.54		
SE2	1.37	1.00	1.37	-	PA2	0.50		
SE1	1.15	1.00	1.15	-	PA1	0.47		
SSC	1.12	1.00	1.12	-	BC1	0.43		
Case Mix Total			228.95					
Total Patient Count			169.00					
Case Mix Index			1.3547					

Current Medicaid Only Case Mix Calculation. Schedule 4

Current MDS Case Mix Total	228.95
Current MDS Case Mix Patients	169

Facility Specific Case Mix	1.35
50% Peer Group/50% Statewide Case Mix	0.907504
Facility Case Mix Adjustment	1.4876

Adjusting the NH Medicaid Rate for Case Mix

Typical Rate Breakdown:

- Direct: 60%
 - Indirect: 22%
 - Capital: 10%
 - Non-Comp: 5%
 - Adjustments: 3%
- =====
100%

For free-standing homes with fewer than 300 beds:

- Direct Price = \$113.68
- Indirect Price = 57.18

Case Mix Impacts the Direct Price

The template that can be used to validate or model the operating rate can be downloaded from:
www.leadingage.org/topics/data/templates/

Medicaid Rate Calculation Template and CMI Modeler

Rev. May 2023

LeadingAge®
New York

CASE MIX & ADDS

Enter Jul. 2022 CMI (Oct 2021 - Mar 2022 Assessments) and Special Population Add-on

1.06

1.1680

\$ 2.31

Enter Jan. 2023 CMI (April 2022 - Sep 2022 Assessments) and Special Population Add-on

1.07

1.1791

\$ 2.31

Enter Jul. 2023 CMI (Oct 2022 - Mar 2023 Assessments) and Special Population Add-on

1.23

1.3554

\$ 2.31

INSTRUCTIONS: This template replicates the layout of the non-specialty nursing home Medicaid rate sheet. It is designed to allow users to verify their Medicaid rate calculation and to model their rate based on projected CMI. To project the operating component, select the facility name from the drop-down list at left. Then enter the actual or projected CMI in the yellow-shaded cells to the right. To calculate the full rate, enter the requested data in the yellow shaded cells below (lines 13, 14, and 17) from the associated rate sheet.

Nursing Home Price Calculation

1 Facility Specific Non Comp Price

12.93

12.93

12.93

12.93

12.93

12.93

2 Statewide Direct Price

115.29

113.68

115.29

113.68

115.29

113.68

3 WEF Adjustment

0.8098

0.8098

0.8098

0.8098

0.8098

0.8098

4 Facility Case Mix Adjustment

1.1680

1.1680

1.1791

1.1791

1.3554

1.3554

5 WEF & Case Mix Adjusted Direct Component

109.05

107.53

110.08

108.54

126.54

124.77

NH Rates- Special Population Add-ons

DOH systems should automatically identify residents who qualify based on their MDS data for BMI (\$17), Dementia (\$10) or TBI (\$36) add-ons. Worth verifying.

BMI and Dementia add-ons are based on the criteria below (TBI is based on a specific item on the MDS).

BMI:

\$17.00 per day for each resident whose Body Mass Index (BMI) is over 35 based on MDS height and weight data.

Uses the National Institute of Health formula to calculate a resident's BMI: $(\text{Weight-lbs} / (\text{Height-inches}^2)) * 703$

Dementia:

Qualifies under both the RUG-III impaired cognition and the behavioral problems categories

OR

Has been diagnosed with Alzheimer's disease or dementia, and is classified in the RUG-III reduced physical functions A, B, or C categories,

OR

Is classified in the RUG-III behavioral problems A or B categories and has an activities of daily living index score of ten or less.

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Let's Talk Strategy Around

Case Mix Changes in NY

Executive Summary:

A Therapy, Therapy Management & Consulting Firm

Coast-to-Coast Cross-Continuum Expertise

14,000+ Employees

**~560
LTC Partners**

**~680
Senior Living
Partners**

**~1000
Home Health/
PACE Partners**

**~150
Consulting
Partners**

**25,452
Pediatric Lives
Touched Annually**

COMPLIANCE FOCUS

**INTEGRATED CLINICAL
SOLUTIONS**

**CROSS
CONTINUUM EXPERTISE**



**25 + YEARS INDUSTRY
EXPERIENCE**

OPERATIONS EXCELLENCE

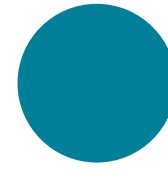
**EXTRAORDINARY PROVEN
RESULTS**

**Stop
Start
Continue**

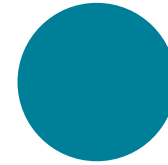
Time to reflect on our
actions and decide what
needs to change.

Let's STOP....

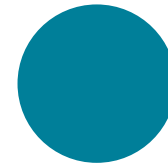
Things that need to stop in order to be successful in CMI now and after the new finalized methodology is announced by NYS



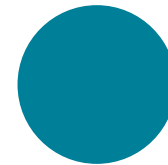
Focusing on Rehab as the only or main driver for CMI



Being rigid on ARD selection



Not refreshing your MDS

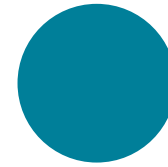


Relying on MDS to do it all

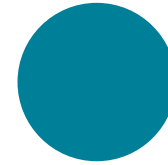
Let's START....

Shifting away from RUG III

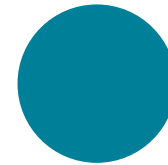
Making serious changes now
and for the future success in
Medicaid Reimbursement



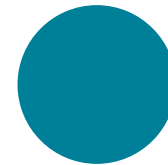
Clinical Meeting
Revamp/Monthly Rounding



Retroactive Review all Low CMI
MDS's from 4.1 to NOW & modify
for accuracy



Pre-Transmission Review



Nursing Capturing Section
GG

The Clinical Meeting or Rounding for LTC:

- Focus on orders
- Changes in treatment
- Significant changes
- Needs for rehab
- Similar to that like an IPA for Part A
- Is the current care plan active and working ?

* while not a resident item in Section K and O count	Cue List Morning clinical meeting - Residents with changes in condition or who you plan to round on								
Extensive Services (ADL Score ≥ 7)	IV Fluids (for nutrition/hydration)								
	IV Meds in last 14 days								
	Suction/Trach/ Vent or Respirator care								
Special Care (ADL Score ≥ 7)	Radiation in last 14 days								
	MS, Quad or CP (ADL ≥ 10)								
	Ulcers: 2+ (any stage) and ≥ 2 skin tx, 1- Stage 3 or 4 Pressure Injury (QM)								
	Surgical wound or open lesion other than ulcers, rashes, cuts and ≥ 1 skin treatments								
	Fever (2.4 degrees above baseline) w/ Dehydration, Vomiting, Pneumonia, Weight Loss (QM) or Tube Feed								
	Tube feed w/ Aphasia								
	Resp. therapy (daily at least 15min)								
Clinically Complex	Oxygen								
	Coma								
	Feeding tube w/ requirements								
	Diabetes w/ 7 day injections & 2+ MD order changes								
	Pneumonia								
	Septicemia								
	Transfusion								
	Internal Bleed								
	MD orders & visits (14 day look back)								
	Hemiplegia/paresis w/ ADL ≥ 10								
	Dialysis								
	Dehydration								
	Foot infection with tx or diabetic foot ulcer or other open lesions on the foot								
	Chemo meds (Oral/IV/inject/IP)								
	Burns w/treatments								
Imp Cog	Change in orientation or recall								
Behavioral Problem	Delusions or hallucinations								
	Wandering/ inappropriate beh, resists care								
	Physical/verbal behaviors								

* while not a resident item in Section K and O count	Cue List Morning clinical meeting - Residents with changes in condition or who you plan to round on								
RNP	ROM/Splint, brace								
	Toileting / Continence								
	Eating								
	Bathing/dressing								
	Mobility								
Quality Measures	Changes in pain intensity or freq.								
	Antipsychotic Medication use - dx								
	Antianxiety or Hypnotic use								
	Change in Late Loss ADLs								
	Change Mobility(locomotion on unit)								
	Falls with or without injury								
	Urinary Cathether -dx								
Early, Planned or Sig Change ARD	Restraint								
	Weight Loss								
	ARD Planned early capture due to change in status and need								
Rehab Potential/ Need	Therapy Orders								
Nsg RUG	Projected Nursing RUG								
Rehab RUG	Projected Rehab RUG								
QM	Quality Measure Considerations								

Data Driven Focus:

Audit MDS's Transmitted

4.1.23 to current with lower RUG III CMI's:

- Did you refresh and capture the right ADL scores?
- Did you refresh and capture of days and minutes of rehab ?
- Any missing nursing items: i.e. Progress notes from the physician were missing at the time?
- Did previous answers auto populate without an update or review?

CC1	0.98	17-18
CB2	0.91	12-16
CB1	0.86	12-16
CA2	0.84	4-11
CA1	0.77	4-11
IB2	0.80	6-10
IB1	0.78	6-10
IA2	0.65	4-5
IA1	0.61	4-5
BB2	0.70	6-10
BB1	0.66	6-10
BA2	0.55	4-5
BA1	0.47	4-5
PE2	0.80	16-18
PE1	0.79	16-18
PD2	0.73	11-15
PD1	0.72	11-15
PC2	0.67	9-10
PC1	0.66	9-10
PB2	0.57	6-8
PB1	0.58	6-8
PA2	0.48	4-5
PA1	0.46	4-5

Resident G: GI** Tj***** (14006)**

Q ARD 06/05/2023 PD1 0.72, **missed opportunities for CA1 0.77 by 4/15 and 6/29**

Opportunities:

- A review of documentation showed orders on 4/7, 4/10, 4/14 and visits on 4/7 and 4/12 for missed opportunity for CA1 0.77 by 4/15.
- Review also showed orders on 6/18, 6/19, 6/20 and visits on 6/16, 6/19, 6/28 for missed opportunity for CA1 0.77 by 6/29.

Resident I: An* Os* (E1436530)**

ARD 5/10/23 **missed opportunity RMC 1.27**

THERAPY

Opportunities:

- Missed opportunity to set ARD on 4/25/23 for 5 distinct days of therapy and 180 minutes.
- ARD 5/10/23 SSB with ADL score 16, ADL score of 17 would be SSC 1.12.

Resident D: Ka*** Co***** (E437685)**

ARD 4/22/23 SSA 1.03 **opportunity for SSB 1.06**

ADLs

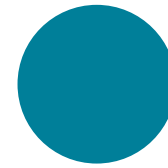
Opportunities:

- Review of the POC documentation for eating notes that coding of the MDS for item G0110H1/2 would be 3/2. ADL score would change from 14 to 16 and would be SSB 1.06. Recommendation to correct MDS.

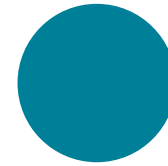
Let's CONTINUE....

Our successful processes in
PDPM and Clinical Care:

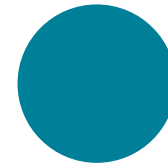
***Will NYS capture the data from
Q4 2023 and use that in future
payment – PROBABLY!***



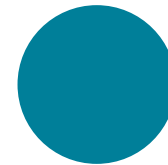
What's working for you
with PDPM – Part A?



IDT Collaboration &
Ownership



The shift away from RUG III



Ensuring you capture the
services you are providing

Shift from RUG III being retired effective 9.30.23 to RUG IV

Nursing RUG III vs PDPM Nursing RUG IV	
Similarities	Differences
Extensive Services	
Same Qualifiers: Tracheostomy Care and/or Ventilator ADL Score/Nursing Function Score Ranges PDPM RUG IV: 0-14 RUG III: 7-18 Look Back Periods	Different Qualifiers: PDPM RUG IV: Isolation; Only includes while a resident RUG III: Suctioning, Parenteral/IV Feeding, IV Meds Points for Parenteral/IV, IV Medication, Special Care, Clinically Complex, and/or Impaired Cognition Counts while not a resident and while a resident
Special Care	
Same Qualifiers: Multiple Sclerosis, Cerebral Palsy, Quadriplegia Respiratory Therapy, Radiation, Fever (but additional conditions differ) Pressure Ulcers, Venous/Arterial Ulcers Feeding Tube caloric and fluid requirements Wound/Skin treatment requirements ADL Score/Nursing Function Score Ranges PDPM RUG IV: 0-14 RUG III: 7-18 Specific Dx have ADL Score/Nsg Function Score minimums Look Back Periods	Different Qualifiers: PDPM RUG IV: Comatose, Septicemia, Dialysis COPD w/ SOB when lying flat; Parenteral/IV Feeding Parkinson's Disease, Respiratory Failure w/O2 use DM w/insulin & orders, Foot Infection, DM ulcer, Other Open Lesion on the foot, Feeding Tube Conditions w/Fever: Pneumonia or Vomiting or Weight Loss or Feeding Tube Divided into SC High and SC Low with Depression Indicators Only includes services provided while a resident Except parenteral/IV feeding & feeding tube RUG III: Open Lesion (M1040D), Surgical Wounds Tube Feeding with Aphasia Conditions w/Fever: Pneumonia or Vomiting or Dehydration or Weight Loss or Feeding Tube

Prepare for the Future

