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## MEMORANDUM

**TO:** RHCF Members

**FROM:** Patrick Cucinelli, Senior Financial Policy Analyst

**DATE:** June 4, 2009

**SUBJECT:** Medicare NHVBP Demonstration Program

**ROUTE TO:** Administrator, CFO

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ABSTRACT: CMS completes solicitation for Nursing Home Value Based Purchasing demo.

### Introduction

[NYAHS Doc. ID # N00003317](#) and [ID# N00003384](#) provide members with details on the Medicare Nursing Home Value Based Purchasing demonstration project. Additional information is also available on the Centers for Medicare and Medicaid Services (CMS) Web site under [Demonstration Projects and Evaluation Reports](#).

Under this demonstration, New York was included among an initial four states to assess the performance of participating nursing homes. CMS is seeking to base incentive payment awards to those nursing homes that perform the best or demonstrate the most improvement based on the selected quality measures.

### Solicitation Process Complete

NYAHS has just learned that CMS has completed the initial selection process, and is expected to announce the names of the participating facilities shortly. Participation in the project is voluntary and interested facilities had to respond to a CMS solicitation in order to be eligible to participate.

According to the initial information from CMS, New York had more than the required 100 facilities volunteering to participate. Mississippi had to be dropped from the project because of

the low number of responses. Both Arizona and Wisconsin are still in the project although they both fell short of 100.

Our understanding is that CMS is proceeding in New York with a sample larger than 100 and will be randomly assigning facilities to either the demonstration group or the control group. In Arizona and Wisconsin, where less than 100 applications were received, CMS is assigning all participants to the demonstration group and will select a control group from among the non-applicants. CMS believes that this is feasible because the control group nursing homes are not required to take any action or change their care practices in anyway.

Award letters are being sent out and participating facilities will be required to sign and return the letters in order to finalize the process.

Please contact me with any questions at [pcucinelli@nyahsa.org](mailto:pcucinelli@nyahsa.org) or call 518-449-2707 ext. 145.