



Nursing Home Advisory Committee Update

**Nursing Facility Payment
Modernization Overview**

October 2019

PAYMENT MODERNIZATION

Background

The Department of Social Services (DSS) will be transitioning Medicaid nursing facility reimbursement from a cost-based methodology to a case mix payment system.

A case mix methodology will aid DSS in the following goals:

- Enabling a meaningful continuum of long-term services and supports;
- Modernizing Medicaid nursing facility reimbursement;
- Align reimbursement with the anticipated resource needs of each provider based on the acuity of their specific residents and;
- Preparing providers for value-based payment approaches.

DEDICATED WEB PAGE

Background

A dedicated web page for this initiative, which includes a link to the materials presented by Myers & Stauffer at the September kickoff for providers, is located here:

<https://portal.ct.gov/DSS/Health-And-Home-Care/Medicaid-Nursing-Home-Reimbursement/Nursing-Home-Reimbursement-Modernization-to-Acuity-Based-Methodology>

This web page will feature up-to-date materials, status updates, and additional information on the transition process. Provider engagement and feedback is invited through the DSS webpage. Please visit the Contact section of the webpage for information.

Connecticut General Statute

State Legislation

Connecticut General Statute Section § 17b-340d. Acuity-based methodology for Medicaid reimbursement of nursing home services. Regulations.

(a) The Commissioner of Social Services may implement an acuity-based methodology for Medicaid reimbursement of nursing home services. In the course of developing such a system, the commissioner shall review the skilled nursing facility prospective payment system developed by the Centers for Medicare and Medicaid Services, as well as other methodologies used nationally, and shall consider recommendations from the nursing home industry.

(b) The Commissioner of Social Services may implement policies as necessary to carry out the provisions of this section while in the process of adopting the policies as regulations, provided that prior to implementation the policies are posted on the eRegulations System established pursuant to section 4-173b and the Department of Social Services' Internet web site.

METHODOLOGY

What is Case Mix?



Nursing facility “case mix” determines the overall differences within a group of residents and compares individual cases relative to one another within the mix. It is a means to identify acuity differences among residents within a population.

Why Case Mix?



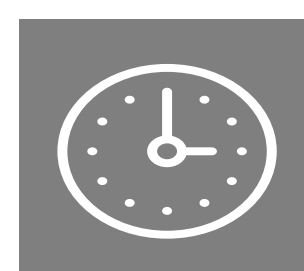
Case mix systems align reimbursement with the anticipated resource needs based on the acuity of specific residents. Rates are updated periodically to allow for changes in resident needs over time.

RUG-IV 48 Grouper



The Medicare Resource Utilization Grouper (RUG) version IV 48 group model will be utilized to categorize CT residents into case mix groups. National CMS RUG weights will be utilized.

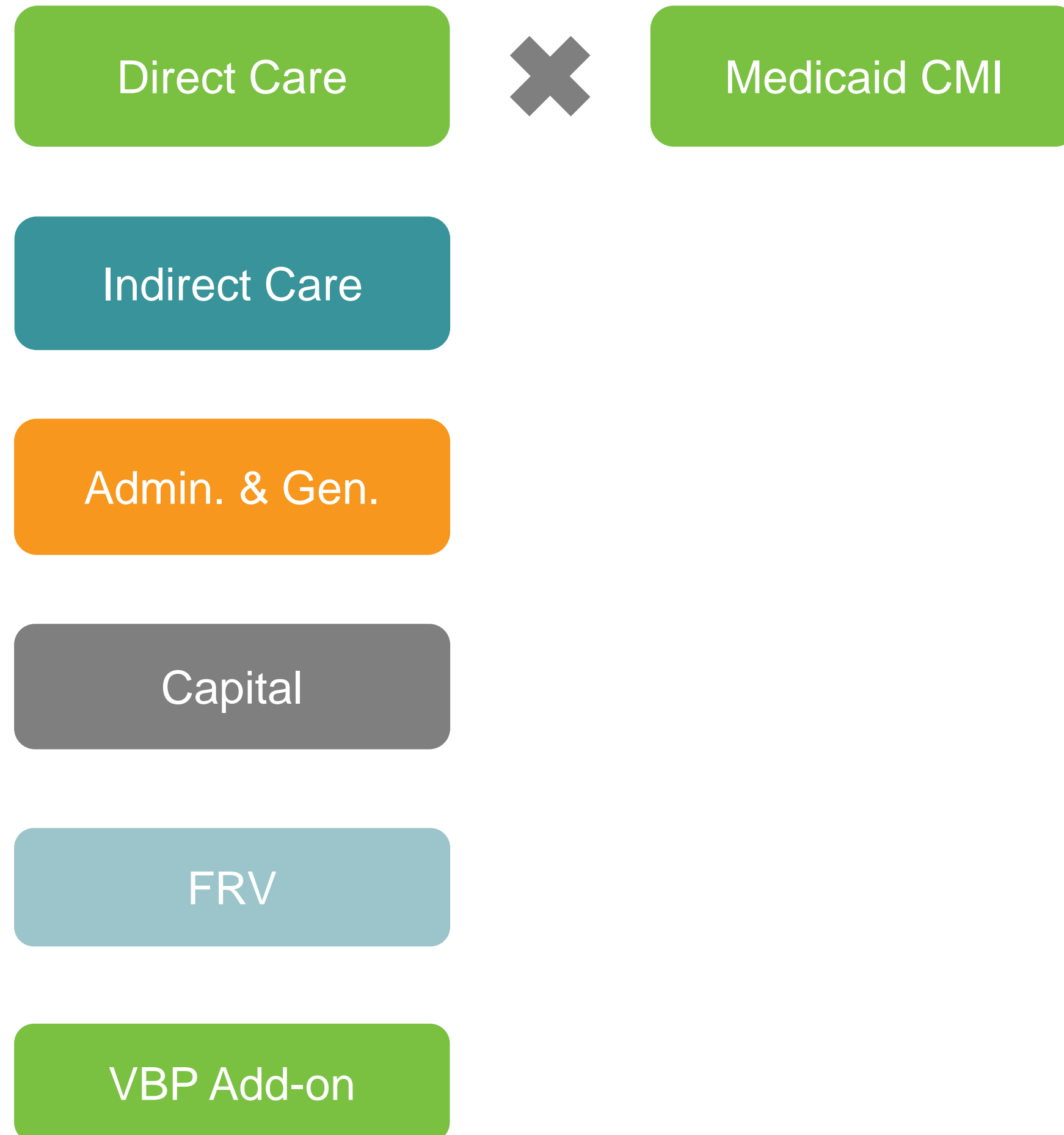
Time Weighted Calculation Methodology



All MDS assessments that were active within a quarter will be utilized to calculate a case mix index (CMI) average weighted by the number of days in the quarter that the MDS was active.

METHODOLOGY

Rate Calculation



- Base Year cost report and MDS data used:
 - ✓ 10/1/17-9/30/18 will be the base period cost and MDS data utilized for implementation
- Direct costs will be multiplied by the calculated Medicaid CMI
- Cost component classifications will be closely aligned to the current reimbursement system

PAYMENT CONSIDERATIONS

Phase-in Considerations and Special Populations

Transition to the new methodology will be done in a phase-in approach to minimize impact to providers. Phase-in design will be discussed and assessed with providers during the modeling process.

The new methodology will take into consideration special populations and supporting the needs of those special populations through the new rate setting system.

PROVIDER ENGAGEMENT

Opportunities for Comment on Model Design

Webinars

Webinars will be utilized to engage providers on the transition and to invite feedback on model design. (bi-monthly)

Stakeholder Meetings

In-person or conference call presentations will be scheduled monthly to discuss model design and to invite feedback/input.

Legislative Committees

DSS will utilize the legislative oversight committees to provide updates and model design opportunities for stakeholder input.

DSS Website

Information, resource and training documents, presentations, and other provider communications will be available at the DSS website at the following link:

<https://portal.ct.gov/DSS/Health-And-Home-Care/Medicaid-Nursing-Home-Reimbursement/Nursing-Home-Reimbursement-Modernization-to-Acuity-Based-Methodology>

PROVIDER ENGAGEMENT

Provider Resources

Myers and Stauffer Web Portal

Preliminary and final resident rosters will be posted to a web portal hosted by Myers and Stauffer. IP addresses will be collected from users identified for each facility so providers can access their rosters once posted. This process helps to securely transmit protected health information.

Myers and Stauffer Help Desk and Staff Assistance

Myers and Stauffer maintains a help desk to assist with case mix rosters, and also has staff available during business hours to answer rate-setting questions as needed

Case Mix Index Report User Guide

A CMI report user guide will be developed to provide guidance on regulatory requirements, report elements, report details, and resources available for assistance