



*Supporting People,
Health and
Quality of Life*

April 30, 2013

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Re: Quality and Accountability Program (QAP)

As requested at the April 22, 2013, meeting, the following are the California Association of Health Facility's comments on the Quality Measures and Scoring Options.

Base and Performance Period: We were surprised and disappointed to learn that the state has proposed changing the base period and the performance period from the calendar year (January to December) to a fiscal year (July to June). The result is that providers will be given information about a program to improve quality after the performance period has expired.

The purpose of a quality improvement program is to provide financial incentives to change business practices that will improve quality. Goals must be set by the state prior to the performance period if there is an expectation for change. Further, given that Medi-Cal rates have remained stagnant for the last two rate years, skilled nursing facilities obviously have competing priorities for limited resources. Without specific published goals that would assure supplemental payments for reaching a specific goal, such as benchmarks derived from the base period, it is highly unlikely that the majority of facilities will change their business practices.

Recommendations: The state should change the performance period to the calendar year. For future years, the state should publish timely and specific benchmarks for facilities to attain in order to qualify for supplemental payments. For example, using the base period data from Page 5, at the beginning of the performance year, the state should have announced goals of 91.00% and 98.47% for Long Stay Influenza Vaccinations in order to qualify for supplemental payments. It is likely that facilities would focus on a specific measure and dedicate the resources needed to improve their performance if they were guaranteed payments for exceeding published standards.

Disqualification for 3.2 Staffing: CAHF continues to object to the exclusion of facilities with a single audited day of non-compliance. First, when the audit is issued, a facility is not being informed that it is excluded from the QAP supplemental payments because of a single day of non-compliance. Thus, it does not know there is an adverse fiscal consequence from the audit. As such, there is no reason for a facility to seek an appeal, because it is not subject to any penalties. Second, CDPH does not have a mechanism in place for a facility to appeal such a finding nor does it have access to the CDPH audit findings. There is no administrative remedy for a facility to test the validity of a CDPH finding. Since the financial consequences to a facility are significant, it should be given notice and the ability to pursue appeal.

Recommendation: The bar should be set to disqualify a facility that has been issued a penalty for failure to staff at 3.2 hours per patient day during the performance period. The base period should NOT be considered for disqualification. In addition, provisions should be included in the program to pay supplemental payments to facilities that successfully appeal their 3.2 penalties.

Disqualification for A or AA Citations: CDPH should clarify that the A or AA citations should be for an incident that occurred during the performance period, not the issuance of a citation during the performance period. It is illogical to exclude facilities from supplement payments for incidents that were two to three years prior to the performance period. Facilities should not be punished because of CDPH's failure to issue and investigate incidents in a timely manner.

Recommendation: Exclusions must be for A or AA citations issued for an incident that occurred during the performance period. In addition, provisions should be included in the program to pay supplemental payments to facilities that successfully appeal their A or AA citations.

Evaluation of 3.2 Audit Process: The staffing audit process must be subject to the same test for reliability and validity as the other Quality Measures. The validity of the process is questionable given the varied results obtained by field auditors that require further extensive "QA review" by CDPH. Additionally, major holidays are not fully accounted for in the process. We suspect that this places facilities that receive audits during major holiday periods such as Christmas, New Year's Day and Thanksgiving at a disadvantage. Finally, the audit and appeal process results in a determination of whether a facility followed the "counting rules" as detailed in the All Facilities Letter, 11-13, and fails to access other factors, such as clinical records, that would demonstrate compliance.

Recommendation: The 3.2 audit process should be reviewed by the Health Services Advisory Group for reliability and validity as a quality measure.

Percentiles for Benchmarks (Page 5): CAHF concurs with the average to be set at the first benchmark. DHCS has set the second tier at the 75th percentile.

Recommendation: We suggest that the second benchmark be set at the 66.7th percentile.

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Tiers and Point System (Page 6): We support this approach.

Scoring (Page 7): We support the approach that allows for flexibility in point distribution when a facility does not have data.

Point Allocation (Page 9): We agree that points should be divided equally among each major quality measure.

Recommendation: We think staffing should be a quality indicator. We recommend that 25 points be allocated to each facility that meets that 3.2 benchmark. The other quality indicators should be adjusted to 25 points each.

Payout Example (Page 10): CAHF supports the three-tiered approach and payments based on Medi-Cal patient days. We do not agree with the recommendation that Medi-Cal bed day (MCBD) payment for Tier 3 be twice as high as the MCBD payment of Tier 2. This methodology unfairly results in 48 percent of the total payment being awarded to facilities representing only 12 percent of the total MCBDS.

Recommendation: MCBD payments to Tier 3 should be 50% more than Tier 2, not 100%.

Improvement Scoring (Page 11): CAHF supports this approach to pay for improvement.

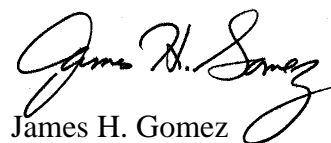
Other Payment Options, Flat Scoring (Page 12): CAHF would support only one benchmark if the state chose to adopt that methodology. As stated above, CAHF does see value in rewarding the highest performers 50% more per MCBD for Tier 3, but does not support payments that are double the MCBD.

Other Payment Options, Non-cumulative Scoring (Page 12): CAHF supports the option that supplemental payments would be made for each measure score vs. an overall score. This option provides for the flexibility for a facility with limited resources to focus and strive to improve on individual quality measures when resources may not be available to focus on all measures.

Recommendation: ADOPT THE OPTION OF NON-CUMULATIVE SCORING.
This is the most understandable, fair and measurable approach.

Thank you for the opportunity to comment on the proposal. CAHF remains supportive of the QAP in general but hopes that the state will change the performance period for the reasons state above.

Sincerely,



James H. Gomez
CEO/President

cc: Jonathan Wunderlich