Quality and Accountability Program

Presented by
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Background

The State has developed a new Quality and Accountability Program for Skilled Nursing Facilities (SNFs). The California Department of Public Health (CDPH) and Department of Health Care Services (CDHCS) are partnering on the implementation of this new program.

Program Philosophy and Considerations

- The program uses concrete indicators of quality to incentivize improvement
- Successful quality improvement efforts require more than enforcement action
- Applies knowledge of other similar programs

Program Philosophy and Considerations

- Performance determines payments
- Higher quality merits higher payments
- Payments are easy to understand
- Improve quality among low performers

Progress Update

Following previous stakeholder meetings CDPH and CDHCS:

- Reviewed program options
- Reviewed existing similar programs
- Identified elements of a framework
- Scheduled two stakeholder meetings to present and review payment methodology

Presentation Agenda

Review of Topics:

- Indicators of Quality
- Scoring: Facility Quality
- Qualification: Scores to Qualify
- Payment: Award Incentives
- Example for Review
- Improvement: Improving Low Performers

- Discussion following Presentation:
  Facilitated by Monique Parrish

Indicators of Quality

Law identifies high priority indicators to measure facility quality as a basis to award supplemental payments.

Indicators:

- Staffing
  - Nursing Hours per Patient Day (NHPPD)
  - Direct Care Staffing Retention (if sufficient data are available)
- Physical Restraints
- "Facility Acquired" Pressure Ulcers (PUs)
- Immunizations
  - Influenza
  - Pneumococcal
- Patient/Family Satisfaction

Indicators of Quality: NHPPD

- How it is measured: In-person audits at facilities
- Facility staffing compliance:
  - CDPH began sample audits in 2002
  - Compliance has been increasing:
    - 15% in FY 2002-03
    - 60% in FY 2008-09
- Other programs using staffing as an indicator:
  CMS Demonstration, Ohio, Kansas, Iowa, Georgia, Minnesota, and Oklahoma

Indicators of Quality: NHPPD

Compliance as a requirement:

- 3.2 NHPPD is required in SNFs
- SNFs must be compliant with 3.2 NHPPD to participate
- Non-compliance during a performance year means that a SNF is not eligible for incentive payments for that year

Indicators of Quality: Direct Care Staff Retention

Review of data measure:

Current Data Sources:

- Medi-Cal Cost and OSHPD Disclosure Reports

Findings:

- Facilities are not required to report data until as late as 7 months after their end of fiscal year.
- Data is out of the required timeframe needed and across varying fiscal years.

Recommendation:

- Indicator should not be used without further analysis and review. Requires new data collection methods.

Indicators of Quality: MDS Measures

- Minimum Data Set (MDS) Measures
  - Physical Restraints
  - Pressure Ulcers (PUs)
  - Immunizations
- CMS uses MDS data to measure quality
- Facilities conduct quarterly resident assessments and report data.
- MDS just upgraded from version 2.0 to 3.0
- Extensive analysis of MDS use for quality

Indicators of Quality: Physical Restraints

- Comparison of State versus Federal Rates (2010):
  - CA percentage: 6%
  - Federal percentage: 3%
- California was at 14% in 2006 and has significantly reduced its rate to 6% in 2010
- Other programs using this indicator:
  CMS Demonstration, Georgia, and Minnesota

Indicators of Quality: Pressure Ulcers

- Comparison of State versus Federal Rates (2010):
  - CA percentage: 12%
  - Federal percentage: 11%
- California was at 14% in 2008 and has reduced its rate to 12% in 2010
- Other programs using this indicator:
  CMS Demonstration, Georgia, and Minnesota

Indicators of Quality: Immunizations

- Comparison of State versus Federal Rates (2010): Long-stay residents
- Percent of Influenza Vaccinations given during flu season:
  - CA percentage: 87%
  - Federal percentage: 91%
- Percent of who were assessed and given pneumococcal vaccination:
  - CA percentage: 86%
  - Federal percentage: 89%

Indicators of Quality: Satisfaction

- Contractor will determine satisfaction for each SNF.
- CDPH and CDHCS will consult with HSAG on options for measuring satisfaction.
- Other programs using consumer satisfaction rates: Ohio, Iowa, Georgia, Minnesota, and Oklahoma

Future Quality Measures

- Per Law, DHCS and CDPH, in consultation with stakeholders:
  - Shall incorporate other measures identified by CMS for health care reform; and
  - May include other measures, e.g. Olmstead compliance, staff retention, and chemical restraints
- Consultations with HSAG on measures
- Plan to hold meetings with stakeholders in the 1st quarter of Year One (Jan. – Mar.)

Scoring

- Measure facility quality of care using a comparable point system
- Each indicator worth a set point value
- Facilities have to be at or above the state average to receive points

Scoring: Point System

Two Options:

1. Equal: Same Value for each Quality Indicator
   - Each indicator worth equal points

   Example: Each of the 5 indicators worth 20% of points; Facility scored above average on 4 indicators (total 80%)
2. Weighted: More Value for Some Indicators
   - High priority indicators worth more points

   Example:
   - Staffing worth 25% and the remaining indicators worth 75% of the possible points, totaling to 100%. Some worth less points.
   - Scored above average on Staffing (25%) and 3 of the 4 other indicators (65%) (total 90%)

Qualification

- Qualification is based on facility scores
- Must achieve a minimum score to qualify for payments

Qualification: Scores to Qualify

Qualification Using a Minimum Score

- Facility Must Score a Minimum

  Example: Minimum score set at 80%.

- Facility Scores are Compared to Minimum

  Example: Two facilities scored (uses equal values)

  - Facility 1: Above average on 4 out of 5 indicators (80%) and qualifies to receive payment
  - Facility 2: Above average on 3 out of 5 indicators (60%) and does not qualify to receive payments.

Payment: Awards

- Year 1 - Approximately $40 million
- Distributed based on quality score and number of Qualified Medi-Cal Bed Days (MCBDs)
- Criteria used to determine payments
  - Quality Score and Qualification
  - Amount allocated per each MCBD
  - Each facility's total number of MCBDs

Payment: Methods

Two Options:

1. Flat Payment
   - All Qualified facilities receive the same amount per MCBD
2. Incremental Payment
   - Increased facility payment amounts per MCBD to match better total quality scores
   - Two increments: 80% and 90%
   - Above 90% receives a 20% larger amount

Example for Review

Purpose of Example

- Demonstrate use of Scoring, Qualification, and Payment
- Present a useful model
- Stakeholder input on model

Example Format and Content

Includes:

- Three Categories of Performance Indicators:
  - Staffing
  - MDS Indicators
    - Physical Restraints
    - "Facility Acquired" Pressure Ulcers (PUs)
    - Immunizations
  - Patient/Family Satisfaction Survey
- Criteria for Scoring, Qualification, and Payment
- Example Scoring and Payment

Example: Criteria

Scoring (Weighted) : 100% possible

- Values assigned to categories of indicators:
  - Staffing 25%
  - MDS Indicators 65%
  - Satisfaction 10%

Qualification: Minimum score required

- 80% minimum required

Payment: Incremental Method

- Based on 80% and 90% Scores
- 90% Increment gets a 20% larger payment

Example: Scoring

How a facility would be scored:

- Staffing: 25 points possible
  - Staffing exceeds State average (25 points)
- MDS Indicators: 65 points possible
  - 3 of 3 Indicators with scores better than average
  - (Receives all 65 points)
- Satisfaction Survey: 10 points possible
  - Satisfaction rates below average (0 out of 10 points)
- TOTAL SCORE: 90 points

Example: Incremental Payment:

- Assume 40% of total MCBDs = 10 million MCBDs
- Calculating Incremental payments:

  Increment 1 (80-90%): est. 70% of the 10 million MCBDs
  - 7 million MCBDs, Worth $3.77/each

  Increment 2 (90%+): est. 30% of the 10 million MCBDs
  - 3 million MCBDs, Worth $4.52/each
  - Calculation: $40 million = 7 million MCBDs(X) + 3 million MCBDs(1.2X)
- Average facility payment (20,000 MCBDs):

  Increment 1: 20,000 MCBD X $3.77 each = $75,400

  --Flat comparison: 20,000 MCBD X $4.00 each = $80,000

  Increment 2: 20,000 MCBD X $4.52 each = $90,400

Improvement

- Facilities with low rates may have very little incentive to improve quality
- Measuring improvement can be done by comparing performance to baseline data.
- Low performing facilities that most improve their quality receive payments.

Improvement Payment: Example

Facility improvement score must be in the top 20th percentile:

- Facility's score is below qualification score, but it has improved its overall score from baseline
- Receives full payment

Example:

- Facility scores 65 in Current Year; baseline was 45 points
- Improvement Score is 20 points (65 – 45 = 20 points)
- A Qualification score of 80 points excludes it, but its Improvement score qualifies them for payments.

Improvement Payment: Example

Example: 20 point score is ranked against all facilities
10 Facilities Ranked by Improvement (20th Percentile Line):
(Method: Subtract Baseline from Current Score equals Improvement)

Scores:	Current Score		Baseline		Improvement Score	
• Facility A	65	minus	45	=	20	Receives
20th • Facility B	44	minus	25	=	19	Payment
• Facility C	52	minus	35	=	17	
• Facility D	50	minus	34	=	16	Does
• Facility E	56	minus	42	=	14	not
• Facility F	49	minus	35	=	14	Receive
• Facility G	46	minus	33	=	13	Payment
• Facility H	64	minus	51	=	13	
• Facility I	48	minus	36	=	12	
• Facility J	67	minus	57	=	10	

DISCUSSION

Facilitated by Monique Parrish, with special thanks to the California Health Care Foundation for her time.

Written Feedback

- Please submit all feedback in writing to Monique Parrish at
  mparrish@lifecourse-strategies.com

- Feedback is due by COB on Wednesday November 3rd, 2010