

SNF WQIP PL 24-008

**DATE:** November 13, 2024  
**TO:** ALL SNF WQIP PARTICIPANTS  
**SUBJECT:** SNF WQIP Disproportionate Share Metric Through MDS in Program Year (PY) 3 (2025)

**PURPOSE:**

This policy letter (PL) provides an update to the data source for the Medi-Cal Disproportionate Share metric for the skilled nursing facility (SNF) Workforce and Quality Incentive Program (WQIP). Beginning in PY 3 (2025), this metric will utilize the Minimum Data Set (MDS) assessment data to determine the number of Medi-Cal days and the daily number of patients in place of the Medi-Cal Bed Day (MCBD) data and the Payroll Based Journal (PBJ) data, respectively.

**BACKGROUND:**

The previous methodology for the Medi-Cal Disproportionate Share metric is stated in the [WQIP PY2 Technical Program Guide](#) (page 30):

*The Medi-Cal Disproportionate Share Measurement Area uses the proportion of Medi-Cal patients within each facility during the measurement year and compares each facility's Medi-Cal share to the other facilities within its peer group. Facilities with a higher proportion of Medi-Cal residents within each peer group will receive a higher score. If a facility has an MCBD count of zero, then the facility will receive a rate of zero for this metric. Please refer to the WQIP Scoring section for further details on the peer groups and the scoring for the Medi-Cal Disproportionate Share Measurement Area. To calculate the proportion of Medi-Cal patients for each facility the following specifications are used:*

*» Numerator: The total MCBDs during the measurement year for each facility based on the MCBD Data. For this metric, MCBDs include bed days for Medi-Cal fee-for-service and managed care, where Medi-Cal is the primary payor, regardless of network provider status.*

*» Denominator: The total patients for each facility derived from the daily MDS Census field in the PBJ data (represents all payor bed days within the facility). The daily MDS census field will be aggregated for each facility for each day during the measurement period to derive the total bed days for the measurement year. For any day with missing daily MDS Census data, HSAG will impute the daily MDS Census data using the maximum MDS census value for that facility during the measurement year. If a facility does not have reported PBJ data during the measurement period, then the rate will not be reported.*

*Please note that due to differences between the claims data used to determine the MCBDs and the MDS data used to determine the daily MDS census, the Medi-Cal Disproportionate Share Metric rate may exceed 100 percent in some cases. Where this occurs, the metric will be capped at 100 percent to prevent skewing of the score calculations.*

DHCS has determined that there is a simpler manner to collect data for the Medi-Cal Disproportionate Share metric that leverages MDS data.

**POLICY:**

DHCS is implementing an update to the Medi-Cal Disproportionate Share Measurement Area to utilize MDS data for the SNF WQIP. This change will be effective starting in PY 3 (2025).

This change will require facilities to ensure that the A0700 (Medicaid Number) field is populated in all applicable MDS assessments starting January 1, 2025. Once the Medicaid number has been submitted through the MDS data, the member will be linked to the Medi-Cal enrollment data using the provided Medicaid number to determine the number of days the member was enrolled in Medi-Cal during the facility stay. This process change will simplify data collection and reporting for the Medi-Cal Disproportionate Share metric.

DHCS will incorporate the detailed methodology for this change in the WQIP Technical Program Guides in future program years. Note that in MDS, using the Medicaid Number would not allow DHCS to distinguish between bed days paid for by Medicare, cross over days, or bed days paid fully by Medi-Cal. Thus, DHCS anticipates this change in the data source means SNF WQIP will count all bed days for members with both Medicare and Medi-Cal (regardless of which payor pays on the claims) toward the Disproportionate Share Metric.

A copy of this Policy Letter is posted on the SNF WQIP website at <https://www.dhcs.ca.gov/services/Pages/SNF-WQIP.aspx>. If you have any questions regarding this policy letter, please contact [SNFWQIP@DHCS.ca.gov](mailto:SNFWQIP@DHCS.ca.gov).

ORIGINAL SIGNED BY JEFFREY NORRIS, MD

Value-Based Payment Branch Chief  
Quality and Population Health Management (QPHM)  
Department of Healthcare Services