

SNF WQIP PL 26-003

DATE: August 5, 2026

TO: ALL SNF WQIP PARTICIPANTS

SUBJECT: SNF WQIP CY2025 Final Payment Disproportionate Share Metric

PURPOSE:

This Policy Letter (PL) updates the data source and calculation methodology for the Medi-Cal Disproportionate Share metric for Calendar Year (CY) 2025 in the Skilled Nursing Facility (SNF) Workforce and Quality Incentive Program (WQIP). For CY2025, the Department of Health Care Services (DHCS) will revert to the CY2023/CY2024 methodology that uses Medi-Cal Bed Days (MCBDs) provided by DHCS and Payroll Based Journal (PBJ) data. This PL supersedes the Disproportionate Share methodology described in [PL 24-008](#) and in the [SNF WQIP CY2025 Technical Assistance Guide](#).

BACKGROUND:

[PL 24-008 SNF WQIP Disproportionate Share Metric](#) announced a transition to use the Minimum Data Set (MDS) assessment data for the Disproportionate Share metric beginning in CY2025, replacing the DHCS-provided MCBDs used for the numerator with MDS-derived MCBDs. However, due to operational and data access constraints, including limitations related to the use of MDS data through Centers for Medicare and Medicaid Services (CMS) Databricks for CY2025, DHCS and HSAG will continue to use the CY2023 and CY2024 Disproportionate Share metric methodology for CY2025. MCBD counts will continue to be derived from MCP-submitted claims/encounter data in the DHCS data warehouse (with zero assigned to facilities lacking data). MCBDs are used to calculate each facility's Medi-Cal share by dividing its total MCBDs by its total resident bed days as derived from the PBJ data, and facilities with higher Medi-Cal proportions receive higher scores while facilities with zero MCBDs receive a rate of zero.

POLICY:

For CY2025, HSAG and DHCS will utilize the DHCS-provided MCBD data to calculate the Medi-Cal Disproportionate Share metric using the previous methodology as stated in the [SNF WQIP CY2024 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 MCBBD 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 MCBBDs during the measurement year for each facility based on the MCBBD Data. For this metric, MCBBDs 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 MCBBDs 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.

The measurement period for this metric will be January 1, 2025 – December 31, 2025.

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.

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