

AB 186 Nursing Facility Financing Reform

May 10, 2024
Stakeholder Webinar

Introduction

- » In addition to the Microsoft Teams webinar, members of the public may call in to +1 279-895-6425 and enter phone conference ID: 548 597 841#.
- » Please visit www.dhcs.ca.gov/AB186 for meeting materials and information on how to join upcoming meetings.
- » Stakeholders can sign up for the AB 186 email list serve at [this website](#).

Introductions

- » Alek Klimek, Assistant Deputy Director, Health Care Financing
- » Jeff Norris, MD, Value-Based Payment Branch Chief, Quality and Population Health Management
- » Thomas Mahoney, MD, Quality & Health Equity Measurement Monitoring Section Chief, Quality and Population Health Management
- » Samantha Schradle, Health Program Specialist II, Long-Term Care Rates Section, Health Care Financing

WQIP & ASP 2025 Program Development Timeline & Considerations

Program Year 2025 Development

- » DHCS will be updating and iterating the WQIP and ASP program designs through an annual program development process.
- » Today's presentation identifies potential program development areas for the 2025 program years for initial stakeholder feedback. DHCS welcomes any suggestions and feedback in the areas identified.
- » DHCS will work over the next five to seven months to identify specific priorities and proposals for 2025 and future program years. DHCS will provide additional opportunities for stakeholder feedback and engagement.

Program	Potential Program Development Areas for 2025 & Future Years
WQIP & ASP	Considering and integrating the impacts of new federal regulations: <i>Managed Care Access, Finance, and Quality Final Rule</i> (CMS-2439-F) and <i>LTC Facility Minimum Staffing Standards Final Rule</i> (CMS 3442-F)
WQIP & ASP	Replacing the <i>Racial and Ethnic Data Completeness Measure</i> for program year 2025, since this measure is projected to be “topped out”. Points may be reallocated to existing or new health equity measures.
WQIP & ASP	Addressing potential overlaps between WQIP and ASP, to deconflict improvement incentive points and sanction assessments. DHCS is exploring developing a minimum performance floor for improvement points.
WQIP & ASP	Reviewing the <i>MDS Antipsychotic</i> measure for facilities with Special Treatment Programs (STP). For program year 2024 only, SNFs with STPs were exempted from the Antipsychotic measure in ASP only.
WQIP & ASP	Working to use quarterly performance reports to drive interactive public visual dashboards. These interactive dashboards may be created before 2025.
WQIP & ASP	Developing new metrics that align with DHCS's <i>Comprehensive Quality Strategy</i> including, but not limited to, closing health equity disparities and measures of resident and family engagement/satisfaction.
ASP	Developing detailed policies and procedures for statutory ASP appeals and waivers. The appeal and waiver process will be implemented in 2025 when program year 2024 sanctions are assessed.

Stakeholder Feedback

- » Please provide any comments or feedback on the program development areas by **May 24, 2024** to help inform the next steps of DHCS's program development process.
- » Please provide written feedback to:
 - Workforce and Quality Incentive Program (WQIP) — SNFWQIP@dhcs.ca.gov
 - Accountability Sanctions Program (ASP) — SNFASP@dhcs.ca.gov
- » You may provide consolidated feedback applicable to both WQIP and ASP. If you are providing consolidated feedback, please cc your email to both programs' inboxes.

Skilled Nursing Facility Accountability Sanctions Program (SNF ASP)

Sanction Calculation Formula Modification

- » The formula provided in the current policy letter (PL 23-001) will be modified to account for instances in which the difference between base tier sanctions across tier levels exceeds \$1
 - In particular, the Percentage of Long Stay Residents Experiencing One or More Falls with Major Injury measure tiers are separated by \$2/Medi-Cal Bed Day.
- » The performance benchmarks will remain the same; this formula modification will not impact which facilities will be sanctioned on a given measure for MY 2024.
- » DHCS will issue a technical update to the policy letter with the modified formula.

Sanction Calculation Formula Modification

Percentage of Long-Stay Residents Experiencing One or More Falls with Major Injury (MDS)

Minimum Performance Benchmark	≤ 5.00 th Percentile	10 th Percentile	15 th Percentile
National Benchmark Rate	8.03%	6.67%	5.82%
Base Tier Sanction (per MCBD)	\$ 5.00	\$ 3.00	\$ 1.00

Percentage of Long-Stay Residents Who Received Antipsychotic Medications (MDS)

Minimum Performance Benchmark	≤ 5.00 th Percentile	7.5 th Percentile	10 th Percentile
National Benchmark Rate	31.25%	27.90%	25.70%
Base Tier Sanction (per MCBD)	\$ 3.00	\$ 2.00	\$ 1.00

Sanction Calculation Formula Modification

Sanction Amount =

Published Formula:
$$\left(\text{Base Tier Fine} + \frac{\text{Facility Performance Rate} - \text{Upper Benchmark Rate}}{\text{Lower Benchmark Rate} - \text{Upper Benchmark Rate}} \right) \times \text{MCBD}$$

Corrected Formula:

$$\left(\text{Base Tier Fine} + \frac{\text{Facility Performance Rate} - \text{Upper Benchmark Rate}}{\text{Lower Benchmark Rate} - \text{Upper Benchmark Rate}} \times (\text{Upper Tier Sanction} - \text{Lower Tier Sanction}) \right) \times \text{MCBD}$$

ASP Timeline



December 2023	January – December 2024	Jan- June 2025	July 2025
Issue SNF ASP Policy Letter	SNF ASP Measurement	Data analysis for MY 2024	Sanctions Issued

A thick orange arrow pointing from left to right, positioned between the two rows of the table, indicating the flow of time.

Workforce & Quality Incentive Program (WQIP) Interim Payment

Program Year 2023 Interim Payments

- » The report was **released in March 2024**. In addition, payment instructions and expected timeline were issued to Managed Care Plans (MCPs) on March 29th with payment required to facilities no later than May 13, 2024.
- » Covers Medi-Cal Managed Care **contracted bed days submitted to DHCS by MCPs as of 12/31/23 and available in the DHCS data warehouse**.
- » The **measures and performance periods** covered include:
 - **Acuity Adjusted Staffing Metrics**: April 2023 – September 2023
 - **Staffing Turnover**: April 2022 – September 2023 (inclusive of lookback and look-forward quarters)
 - **MDS Clinical Metrics**: July 2022 – June 2023
- » Adjusts payment for any **A/AA citations affect interim payments** per [Technical Program Guide](#).

Qualifying WQIP Criteria

Pursuant to WIC 14126.024 and the [WQIP Technical Program Guide](#), the following criteria are used to determine WQIP eligibility:

Qualifying Facility Criteria

- » Any one of the following:
 - Skilled Nursing Facility (SNF), Continuing Care Retirement Community (CCRC), and/or adult subacute care facilities
 - SNFs a mix of designated special treatment program (STP) beds and other bed types
- » AND, additionally, all of following must be true:
 - Active license,
 - Medi-Cal contracted Network Provider, AND
 - SNF contracted by the MCP to provide the applicable service to the member, for the applicable dates of service

Disqualifying Criteria

- » Freestanding Pediatric Subacute Care Facilities,
- » Distinct Part Facilities,
- » SNFs with 100% designated STP beds, OR
- » License terminated by CDPH

WQIP Data Corrections

- » DHCS is aware that **some SNFs are working with MCPs to resolve concerns** in bed days reported to DHCS' data warehouse.
- » DHCS is aware that **some SNFs need to add or correct to National Provider Identification (NPI) numbers.**
- » Prior to the final payment, **DHCS may direct MCPs to make a second interim payment to SNFs** that have major revisions to reported SNF WQIP-Eligible Days due to NPI and bed day data discrepancies.

NPI Corrections

- » **DHCS relies on CDPH data** ([Licensed and Certified Healthcare Facility Listing](#)) for facility NPIs.
 - **SNFs are urged to keep CDPH all licensing data up-to-date** (e.g. update NPIs after change of ownership)
 - Changes to CDPH can be made at [SNF Change of National Provider Identifier Application Packet](#).
- » **The [WQIP Qualifying List](#) is a document with NPIs** that DHCS has on file for facilities as of May 7, 2024 (also found at the [WQIP website](#)).
- » **All SNFs should verify that the correct NPIs and Health Care Access and Information (HCAI) IDs** are listed for their facility for any 2023 dates of service.
- » If your **current or previous NPI is not listed on the 'WQIP Qualifying List'**, please email SNFWQIP@dhcs.ca.gov and complete the form provided in the automatic reply.

Other Data Corrections

- » Bed Days and Claims data:
 - Concerns **should be addressed with the appropriate MCP.**
 - Original **source of data is from billing process** between SNF and MCP.
 - Each **MCP regularly reports to DHCS which SNFs are “contracted” and bed day claims data.**
 - DHCS is working to create a contact list of WQIP point people at each MCP.
- » General **concerns related to Minimum Data Set (MDS), Payroll Based Journal (PBJ), and Care Compare data should go to Center for Medicare & Medicaid Services (CMS).**

Data Suppression in Reports

- » [DHCS Data Privacy Policy](#) requires any member-related data with a numerators less than 11 to be suppressed to protect privacy.
- » **Some data are not shown in WQIP reports** due to the suppression requirements.
- » Suppression for privacy **does not affect a SNF's ability earn payment** for a given measure.

General WQIP Updates

General WQIP Updates

- » **For PY1 and PY2, risk adjustment was removed from the claims-based measures** as the data necessary to calculate risk are not available.
- » **PY1 (2023):**
 - Technical Guide: **final version posted** on [WQIP website](#)
 - [Pre-print was approved by CMS](#) on April 4, 2024
- » **PY2 (2024)**
 - **Technical Guide: to be posted soon.**
 - [A letter](#) was posted **April 5, 2024, to the WQIP website** describing changes for PY2 (previously emailed to stakeholders in January 2024).
 - Pre-print was approved by CMS

WQIP Quarterly Performance Reports

» Quarterly Performance Report #1

- Posted at [WQIP website](#)
- Medi-Cal Disproportionate Share Metric does not include Medi-Cal Fee-For-Service bed days, though this will be included for PY 1 final payment calculations and future reports.

» Quarterly Performance Report #2

- » Posted at [Open Data Portal](#)

Workforce Standards Program (WSP)

WSP Updates

- » DHCS submitted State Plan Amendment (SPA) 24-0004 to authorize the Workforce Standards Program to CMS on March 29, 2024. DHCS anticipates to obtain federal approval of SPA 24-004 by the end of June 2024.
- » DHCS made technical updates to the draft state plan pages shared in the December 31, 2023 public notice based on stakeholder feedback.
- » DHCS published CY 2024 draft ratesetting calculations (including the WSP-adjustment) on the DHCS website for public to review:
<https://www.dhcs.ca.gov/services/medi-cal/Pages/AB1629/LTC.aspx>
 - **Note:** This public review draft does not update the rates on file.
 - Please see the website for instructions on submitting corrections or other comments no later than **May 21, 2024**.

WSP Opt-in Process

- » Upon receiving CMS approve, DHCS will finalize the CY 2024 rates and give public notice of the WSP Opt-in process beginning.
- » Facilities will have 60 days to opt-in upon receiving public notice:
 - If a facility opts into the workforce standards program by the applicable deadline, the department shall update the facility's rate on file to the WSP-enhanced per diem rate retroactive to the beginning of the rate year.
 - If a facility fails to opt into the workforce standards program by the applicable deadline, the department shall update the facility's rate on file to the basic per diem rate retroactive to the beginning of the rate year

Public Comment

Public Comment

- » DHCS welcomes public comment. DHCS staff may briefly respond to requests for clarification on this presentation.
- » Speakers are requested to introduce themselves and their organization.
- » Audience members are muted until they are called on by the moderator. Please use the “raise hand” button in Microsoft Teams to be added to the speaker queue. Once you are called on, you must unmute yourself in Microsoft Teams. If you are calling-in please press *5 to raise your hand.
- » Please provide any written questions or feedback to:
 - Workforce and Quality Incentive Program (WQIP) -- SNFWQIP@dhcs.ca.gov
 - Accountability Sanctions Program (ASP) -- SNFASP@dhcs.ca.gov
 - Workforce Standards Program (WSP) -- SNFWSP@dhcs.ca.gov