Changing Times
HCANJ
State Update
2014
The only way to make sense out of change is to plunge into it, move with it, and join the dance.

Alan Watts

What are we working on?

- SFY2015 All Level Reimbursement Increase or ‘Ask’ from the Legislature.
- 2014 Legislative Session/Policy
- July 1, 2014 Managed Care Transition & Member support leading up & going beyond.
- 2014 New Membership Initiative
- 2014 HCANJ Quality Initiatives/Training
Tough Fiscal Climate – Pension Payback.

Transition to Manage Care – Making Bureaucrats pull a Pontius Pilate.

We must ask if we have the need and we must explain why and offer a credible, reasonable and creative approach.

Coalitions are the Key (From MCOs to SEIU).

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$3 million increase for assisted living facilities, comprehensive personal care homes and assisted living programs.

The intent here is to provide a $5 per diem increase over the current $70, $60 and $50, respectively, to these providers. They will need it for higher acuity expected under MLTSS.

Last increase was 2007 and this would be only the second increase in 16 years.
Nursing Facilities

$17 Million increase request for nursing facilities.

The case mix index (CMI) system adopted in 2010 was intended to target money to facilities caring for the sickest people. This policy has been thwarted by fiscal constraints and other actions.

The additional funding represents a 2.5 percent increase over SFY2014 funding and would allow some progress to keep the promise of nearly five years ago and to address the chronic shortfall of over $40 PPD between actual cost and actual reimbursement for nursing facilities.

Special Care Nursing Facilities

$4.9 million requested increase for special care nursing facilities (SCNFs).

The 7.5 percent federal Medicare market basket update over the past three years is our basis and since SCNF rates have essentially been frozen since SFY2009 and are based on 2006 cost reports, a meaningful increase is long overdue.

MCO’s know this level of care will be needed as will additional dollars to render that care.
Our Message

The overriding theme of these requests is to more adequately cover the cost of caring for higher acuity residents in the most appropriate setting.

Without progress on fair funding, the managed care transition will resemble the failure of the healthcare.gov website roll out.

In order to achieve goals of efficiency and cost savings, MCOs and providers need the appropriations to safely and effectively transition the residents and payment system.

Our Mission

Testify in the Assembly & Senate - completed.
Meet and discuss request with assembly and senate leadership - in process.
Meet and discuss request with appropriations chair and committee members - in process.
Meet and request Governor’s office support or sign.
Connect it to MLTSS transition success by soliciting MCO executives to join us in our ask and message.
Our History...
NF Medicaid Rate Losses

SFY 2014

<table>
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<tr>
<th>Description</th>
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<tr>
<td>NF rate reduction (BAF)</td>
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<td>Pre-BAF Reduction to OADM and DHC</td>
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<td>Elimination of Bed-Hold Reimbursement</td>
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<td>$197 M</td>
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1 FY 2014 Budget Proposal. All other years official New Jersey budget documents, Department projections
2 State and Federal shares combined

NURSING FACILITY TRENDS & FACTS
Increasing Dependence of Nursing Facility Residents

- Number of Activities of Daily Living for which Nursing Home Residents are Dependent (Source: CMS OSCAR Data)

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Nursing Facility Average Direct Care Staff Hours Per Patient Day

Medicaid Patient Days in Millions

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Nursing Facility Patients by Payor

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<tr>
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<th>Other</th>
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</tr>
<tr>
<td>2013</td>
<td>62.3%</td>
<td>19.8%</td>
<td>17.8%</td>
</tr>
</tbody>
</table>

New Jersey Medicaid Nursing Facility Rate Increases

Sources: Health Care Association of New Jersey BDO Seidman, LLP (2003 – 2010) and Myers and Stauffer (2010 – 2014)
Cost Rate Analysis - Calendar Years 2006 - 2014


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State Revenues from Provider Tax Versus Nursing Facility Medicaid Reimbursement Reductions

Reflects Impact of Aggregate Budget Reductions on the Regulatory Calculation of Reasonable NF Rates/Costs.

Legislative Issues

Legislation Impacting All Health Care Facilities
A1187 / S505

**Sponsors:** Wolfe (R10); Casagrande (R11) +7 / Hoszapfel (R10)

**Summary:** Requires reporting of suspected abuse of institutionalized elderly to police and that facility employees receive notice of reporting requirement annually; designated as “Peggy’s Law.”

**Position:** Seek Amendments

- Bill requires to require that any caretaker, social worker, physician, registered or licensed practical nurse, or other professional to **immediately** notify local law enforcement if they have reasonable cause to suspect or believe that an institutionalized elderly person is being or has been abused or exploited.
- Amend to require reports to local law enforcement only when there is reasonable suspicion of a crime. And rather than require that it be done immediately, that it be in accordance with CMS guidelines in accordance with Section 1150B of the Social Security Act, namely within two hours if the suspected crime results in serious bodily injury and with 24 hours for all others.

A1341 / S854

**Sponsors:** Quijano (D20) / Vitale (D19)

**Summary:** Requires that certain health care facilities be generator ready; allows health care facilities to qualify for NJEDA loans for cost of generators.

**Position:** Support

- Requires three years to either be generator ready or generator on site, low (2%) interest loan program, allows permitting and inspections by either State or local officials.
**A1648 / S874**

**Sponsors:** (D34) / Vitale (D19)

**Summary:** Revises statutes regarding practice of physical therapy.

**Position:** Support
- Bill contains provision providing for general, rather than direct supervision of physical therapist assistants by a licensed physical therapist. The licensed physical therapist must be available at all times by telecommunications but is not required to be on-site for direction and supervision.

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**A1999 / S486**

**Sponsors:** Watson Coleman (D15) / Cunningham (D35)

**Summary:** "The Opportunity to Compete Act;" establishes certain employment rights for persons with criminal histories.

**Position:** Monitor
- “Ban the box.” Prohibits requesting criminal history background check from prospective employees until job offer has been made. Make sure bill excludes professions where background check is required by statute or regulation.
**A2197 / S1172**

**Sponsors:** Lampitt (D6) / Vitale (D19)

**Summary:** Requires coverage of medication therapy management in Medicaid and NJ FamilyCare.

**Position:** Seek amendments
- Facilities already do this. Why engage third party? Had bill amended to exclude nursing facilities, assisted living facilities and adult day health services.
- Need further amendment to exclude AL programs, comprehensive personal care homes and pediatric medical day programs.

**A2557**

**Sponsor:** Garcia (D33)

**Summary:** Requires health care providers to observe certain practices concerning collection of outstanding balances on patient accounts.

**Position:** Oppose
- Why single out health care providers? Difficult enough collecting debts.
**S367**

**Sponsor:** Scutari (D22); Greenstein (D14)

**Summary:** Expands wrongful death act to allow recovery for mental anguish, emotional pain and suffering, loss of society and loss of companionship

**Position:** Oppose

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**S601 / A445**

**Sponsors:** Codey (D27); Sacco (D32) / Jasey (D27); Prieto (D32)

**Summary:** Exempts from disclosure as public record personal identifying information provided to government agency for emergency notification purposes.

**Position:** Support
S689 / A1069

**Sponsors:** Vitale (D19) / Schaer (D36)

**Summary:** “Healthcare Disclosure and Transparency Act.”

**Position:** Oppose
- Section 4 written disclosure requirements that are too cumbersome for facilities; e.g. whether a health care facility is in-network or out-of-network; indicating that all of the health care services received at the facility will be provided on an in-network basis; that a covered person will not have financial responsibility in excess of their copayment, deductible, or coinsurance.

S1149

**Sponsor:** Weinberg (D37)

**Summary:** “New Jersey Long-Term Care Oversight Act.”

**Position:** Monitor
- Permits Legislature to study any matter related to the provision of long-term care services that it considers of significance to the citizens of this State, including, but not limited to: the availability and quality of both home and community-based care and institutional care; the effectiveness and efficiency of managed care systems and State contracts with risk-based contractors and Medicaid managed care organizations; the operation of Medicaid managed care organizations; and the provision of long-term care services under the Medicaid program, including any waivers sought by the State with respect to the provision of those services.
S1182

**Sponsor:** Vitale (D19)

**Summary:** Requires newly licensed registered professional nurse to attain baccalaureate degree in nursing within 10 years of initial licensure.

**Position:** Oppose

S1610

**Sponsor:** Bucco (R25)

**Summary:** Requires certain health care facilities and operators of certain transient dwellings to maintain agreements for bedbug eradication services.

**Position:** Oppose
S1624 / A1940

**Sponsors:** Turner (D15) / Conaway (D7)

**Summary:** Establishes prescription drug donation repository program.

**Position:** Support

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**Legislative Issues**

Legislation Impacting Nursing Facilities
**A1081 / S1874**

**Sponsors:** Vainieri Huttle (D37) / Pou (D35)

**Summary:** Requires nursing homes to provide training to staff in behavioral health issues.

**Position:** Oppose
- While facilities already provide some training for staff to deal with behavioral issues, opposed to mandated training for all nursing facilities, which heightens potential for additional deficiencies. Bill should be limited to facilities that either advertise behavioral expertise or are behavioral health SCNFs.

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**S1936 / A1176**

**Sponsors:** Conaway (D7); Singleton (D7); Giblin (D34) +3 / Vitale

**Summary:** Requires certain health care facilities to offer, and health care workers to receive, annual influenza vaccination.

**Position:** Oppose
- Includes language to provide that non-compliance shall not constitute a licensure violation or deficiency, to clarify that facilities report percentage of employees vaccinated either through own program or elsewhere, to allow employee attestation to receiving vaccination elsewhere, to require reporting of individual facility immunization rates to DOH and public reporting of aggregate individual facility vaccination rates by DOH.
**A2578**

- **Sponsor:** Mukherji (D33)
- **Summary:** Requires nursing homes to permit use of electronic monitoring devices at request of resident.
- **Position:** Oppose
  - Minimally, amend to ensure other patients' right to privacy and remove liability for facilities.

**A2609**

- **Sponsor:** Dancer (R12)
- **Summary:** Requires Commissioner of Health to examine certain records of nursing home residents' personal funds, and provides that misappropriation of funds is grounds for cause of action.
- **Position:** Seek amendments
  - Amend to provide funding so DOH staff are properly trained to carry out.
Legislative Issues

Legislation Impacting Assisted Living Facilities

**A2558 / S1790**

- **Sponsors:** García (D33) / Greenstein (D14)

- **Summary:** Requires assisted living residences and comprehensive personal care homes to ensure connection of emergency cords in residential units to facility staff.

- **Position:** Oppose
  - Emergency cords are dated technology.
Managed Long Term Services & Supports (MLTSS)

- September 2011 application for a comprehensive Section 1115 Waiver approved by CMS effective October 1, 2012 through June 30, 2017.
- A plethora of planning, execution, slow or no info and delays over the last two years.
- Most recent major change to who transitions from FFS to MCOs.
- Stakeholder, State & MCO Meetings getting better and continuing.

What were the priority objectives for LTC providers at the start?

- Two-year Any Willing Provider (AWP)
- State sponsored/managed LTC rate setting for a minimum of two years using case mix based system to generate a facility specific per diem rate
- A centralized or more concentrated and electronically enabled Medicaid eligibility system
- A simplified billing process that is standardized across plans – three months claims testing
- A minimum of five (5) months education for providers who will be affected by the changes
- Delay implementation of managed care for the Special Care Nursing Facilities (SCNF) population and that the current rates continue in the 12 months beginning July 2012.
Final MLTSS plan unveiled

- DHS unveiled its MLTSS plan on October 26, 2012.
- MLTSS was scheduled to start on July 1, 2013, then January 1 of 2014 and now it will go live on July 1, 2014.
- Four long term care MCOs:
  - Amerigroup
  - Health First
  - Horizon
  - United Health Care

What are our priority objectives now?

- **Maintain State Set Rate.** This means the most recent rate will act as a floor and if our ask is successful it should raise while other elements of Managed Care take hold. Even after the two years, we must find a way to force funding through to providers and achieve payment for actual cost.
- **Maintain Any Willing Provider or Plan.** Guaranteed numerous times by the state but initial contracts show hurdles and inconsistent contract language that could undo it. We are clarifying with the state and providers to secure our promises. However, providers have to fill out applications and play nice also.
- **Know Who is in What Status.** A big relief came when the state announced only certain populations would transition to Managed Care while others would remain fee for service. This lowered the number of immediate changes and we are addressing it to make it clear. On our website is our Matrix of what status each type of resident will hold based on level of care, date of admission, transfer, pending, etc.
What are our priority objectives now?

- **Ascertain what is included in the rate.** We know best what services are or are not included in our current AL, NF and SCNF rates. We have developed a list and are clarifying the right design of the rate requirements and services so as to know be duped by the MCOs. Certain contracts have attempted to include, labs, x-rays or RX in our regular per diem rate and that is just ridiculous and not intended by the state. Our list is being well received and on our website.

- **Change Objectionable and illegal MCO Contract Provisions.** It is clear the state did not review MCO contracts and that the MCO’s put out onerous and boiler plate agreements. HCANJ hired attorney Bob Fogg and convened its MLTSS staff team (President, VP, Dir. Of AL & Dir. of Reimbursement) to address various clauses and concerns and to offer alternative language. The alternative language has now been sent to the MCOs and you may obtain it from Tom Dorner.

- **Put the State & MCOs on Notice.** We clearly corresponded with both groups to address our concerns and to encourage changes to agreements moving forward and those already signed. Meetings are now following.

What is Next in MLTSS?

- **Members Engage and HCANJ Advocates** - Members must apply and contact the MCOs. The list is on our website and if you need further help, we have other points of contact.

- **HCANJ will meet with state and MCO officials** to facilitate the fair contract provision, ensure state commitments are fulfilled and point out where anyone, including ourselves, are falling short.

- **HCANJ Serves on the Stakeholder Committees.** We assert and advocate through these meetings and get more information flowing.

- **Obtaining final information** before July 1 or the basic information still not released is a major priority.

- **Obtaining Training Information** – HCANJ will facilitate or conduct training for our members and we need to know NOW how they can troubleshoot problems before or after the go live date.
What does MLTSS mean for facilities?

- **MCO Networks** - In order to accept new Medicaid beneficiaries, a facility must be under contract with an MCO. State has yet to say what happens to nursing facilities unable to meet the 45% minimum Medicaid bed requirement because they are not in an MCO network.

- **State Oversight** - Between now and the Go Live Date of July 1, 2014, the state shall begin a readiness review of each MCO to address their capacity to serve enrollees. We are also holding them bound to many provisions in their contract with the MCOs and have written them regarding the onerous contract language and other discrepancies.

- **Deadlines** - MCOs pushed a March 30th deadline under the auspices of providing providers time for 90 days of claims testing. If you did not sign your agreements by then, you still can engage each MCO. But do open communication right away.

What does MLTSS mean for facilities? (cont.)

- **Diversion of residents** - The Waiver Demonstration requires each MCO to develop a NF Diversion plan and a NF to Community Transition Plan. More Home and Community Based Services (HCBS).

- **Movement along the Continuum** - MCOs are likely to view lower levels of care as cost effective. We are ensuring they do not change care level eligibilities without following state regulation but in ‘managed care’ such movement is likely.

- **Limits on Managing Care** - We also may see just a tacit admission by many MCOs of the importance or realistic placement in the proper level of care and less ability to manage care than in primary or tertiary care levels. In many cases, they’ll take the rate, handle the ancillaries and let you do business as usual as other changes may be less profitable or more inconvenient.
What must happen, but hasn’t

- **State develops quality measures** - In process. Likely to follow CMS and industry guidelines. MCOs likely to look at readmission and other money driven factors.

- **State finalizes contract with MCOs and releases it to public** - Release Imminent.

- **Provider-specific training sessions** - By MCOs including credentialing, contracting etc. – Late but some movement and coming before go live date. We’re engaging best we can.

- **MCO and Provider claims testing** - Some providers are in process. Others still pending.

Assessment to Appeals

- The Aging & Disability Resource Connections (ADRC) partnership will serve as the single entry/no wrong door system for consumers to access MLTSS.

- The MCO/PACE will use the “NJ CHOICE” Assessment Tool as the standardized functional assessment for determining NF level of care.

- The State will be responsible for conducting the NF level of care for non-Medicaid consumers or Medicaid consumers not enrolled in an MCO/PACE.

- The MCO/PACE will be responsible for conducting NF level of care for current Medicaid consumers enrolled in their programs and forwarding the assessment to the State for final determination.

- Clinical eligibility and Options Counseling will occur within two weeks of referral/notification for PAS and Level 1 PASRR screen and, if needed, Level 2 PASRR review.

- The State will conduct training for MCO/PACE/ADRC staffs on Options Counseling, produce an in-depth Options Counseling manual, and provide in-service training for community provider agencies tailored to local resources.

- MLTSS applications are to be processed within 45 days of submission to the County Welfare Agencies.
Trends in Assisted Living

A snapshot:

NJ Assisted Living / Comprehensive Personal Care Home Resident Profile Report for the Year 2012

(Source: NJ Department of Health, based on residents in 207 facilities in September 2013.)
Totals may not equal 100% due to rounding.
All in-house residents covered by Medicaid

80% non-Medicaid

20% Medicaid

Distribution of permanent residents by age group

- 69 & younger: 6%
- 70 - 74: 4%
- 75 - 79: 8%
- 80 - 84: 18%
- 85 - 89: 29%
- 90 - 94: 25%
- 95 & older: 10%
Permanent residents requiring assistance with 4 or more ADLs

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<tr>
<td>2009</td>
<td>53%</td>
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<td>2010</td>
<td>62%</td>
</tr>
<tr>
<td>2011</td>
<td>63%</td>
</tr>
<tr>
<td>2012</td>
<td>63%</td>
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Resident Length of Stay (LOS)

- Less than 1 mo.: 14%
- 1 - 5 mos.: 12%
- 6 - 11 mos.: 10%
- 12 - 17 mos.: 3%
- 18 - 23 mos.: 14%
- 24 mos. or more: 47%
Admission source for all permanent residents

- Home: 61%
- AL/CPCH: 19%
- Nursing Facility: 5%
- Acute Care Hosp.: 4%
- Sub Acute Unit: 1%
- RHCF: 3%
- Other: 1%

Advanced Standing for Assisted Living
The Process

- Completely voluntary program
- Through HCANJ Foundation (HCANJF)
- To participate a facility must:
  - Apply annually
  - Be approved to participate by DOH
  - Successfully complete a Compliance Visit and meet quality benchmarks
    - Compliance Visit results are confidential
  - Receive final approval of Advanced Standing granted by DOH

New in 2014

- Use of Disclosure Statement
- Participation in a Patient Safety Organization
  - Rehospitalizations
  - POLST
Once Approved

- Approval for one year
- Removed from routine DOH survey cycle
- Promote Advanced Standing

Advanced Standing Status

2013
- 73 applications
- 71 participants
- 68 received Advanced Standing designation

2014 (as of 03/20/14)
- 74 applications
- 11 new applications
- 72 participating in the program
Quality Initiatives

Dementia Without Drugs - A hands on guide for all staff to manage the challenging behaviors associated with Alzheimer’s Disease. This guide addresses the environment, hiring practices, care issues and activities as well as nursing and end of life care planning. Expected date of completion is June 1, 2014.

A Guide for Creating a Culture of Effective Communication in Health Care Settings Best Practice. Expected completion is May 2014.

Bronze Quality Award Workshop - with AHCA’s Tim Case and teaching/coaching from Joanne Ryan from Bartley Health Care and Loretta Kaes. Seminar will be November 19, 2014 at HCANJ.
New RN Transition into Long Term Care - 50 new nurse graduates will participate in a 12 month program to educate, train and socialize into the role of a professional nurse in Long Term Care. A CMP grant was awarded to HCANJ, The Future of Nursing and Rutgers to develop, implement and evaluate this RN transition into practice residency model for long term care facilities in NJ.

HCANJ and Rutgers University received a grant to determine if thermography is a reliable and valid clinical assessment tool that can be used to predict the progression of pressure related areas, Stage One pressure ulcers or suspected deep tissue injury to skin necrosis in LTC residents/patients.
Questions, Suggestions, Concerns, Advice?

To-Do List For the Future

Just call, text or email…

Your HCANJ Staff is here to assist you.

Jon Dolan, President & CEO of HCANJ

‘Money & Quality Care Never Sleeps’

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