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HCANJ

Health Care Association of New Jersey

2012

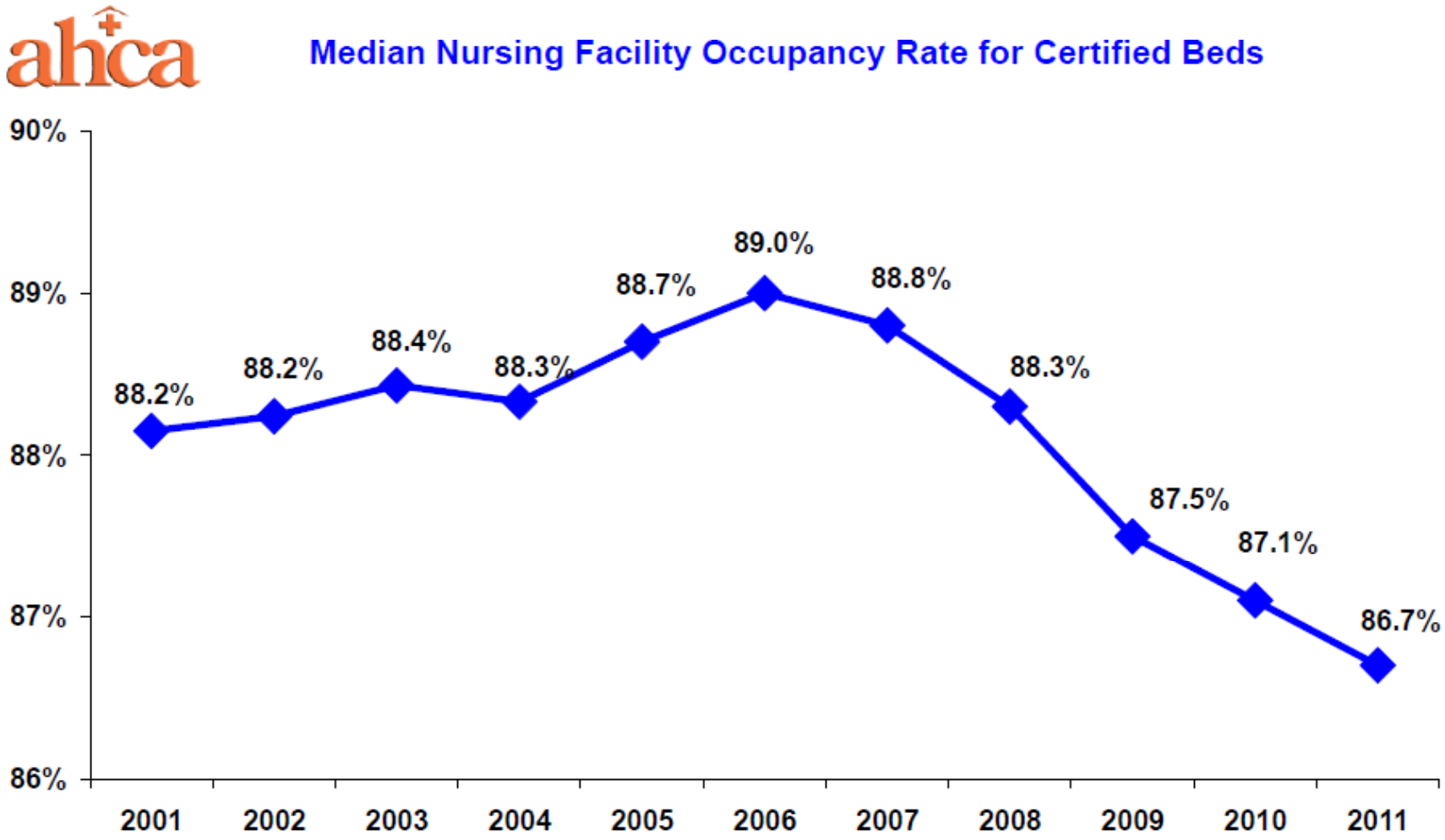
Changing the Way We do Business

Changing the way we do business 2012

- **New Rate Setting System**
- **Changes to survey processes**
- **Mid-year move to managed care**

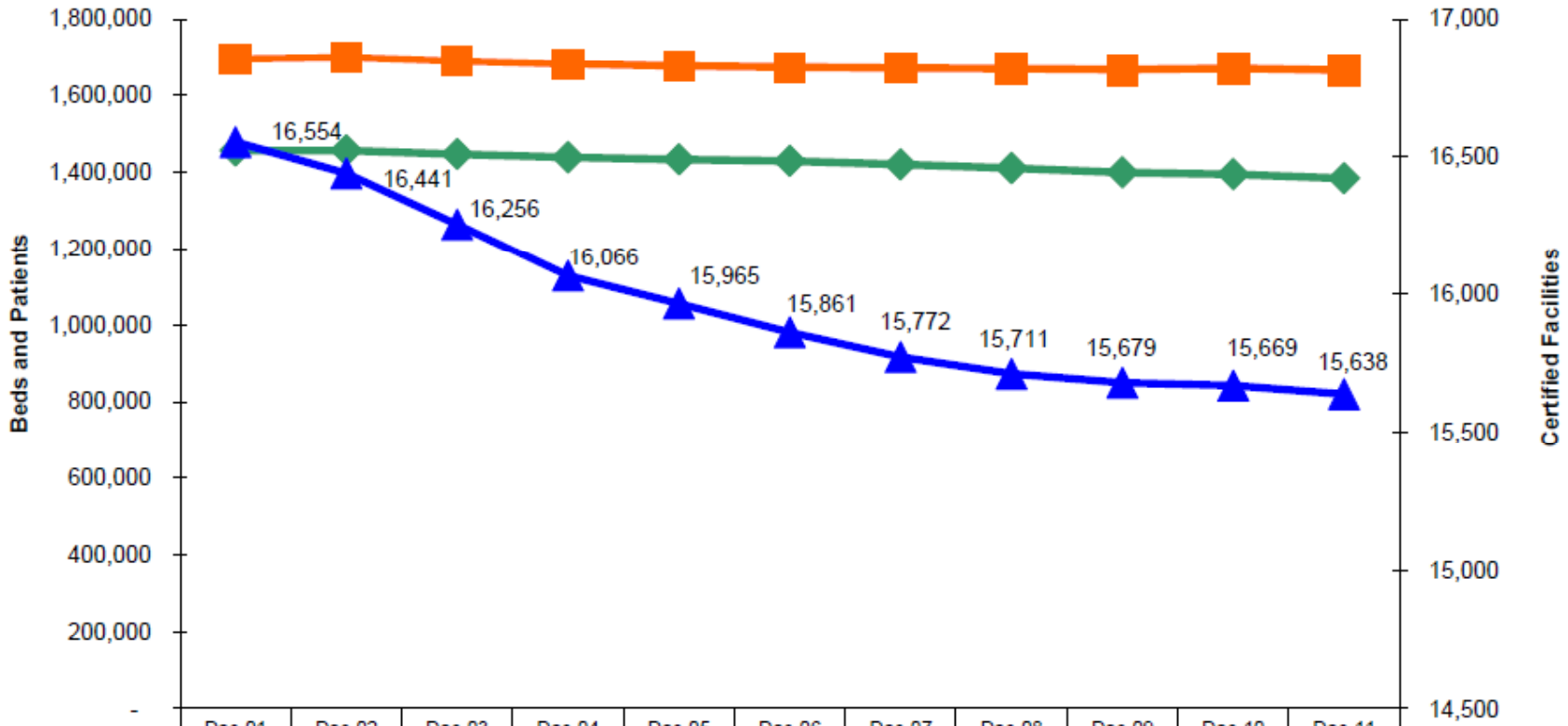
Changing the way we do business 2012

- **Movement to Managed Long Term Care**
- **Restructuring of the Long Term Care Budget and Network**
- **Impact of changes on quality and programs**
- **Emphasis on "Value Purchasing"**
- **Impact of system changes on cash flow**



Note: OSCAR surveys reflect data for patients who occupy certified beds. Observations with occupancy less than 0% and greater than 100% were eliminated from this analysis.
Source: Computed by AHCA R&R department using CMS Nursing Facility OSCAR standard health survey data (CMS Forms 671: L18, L37 -- L39 and 672:F78). Various years. December
American Health Care Association - Research Department

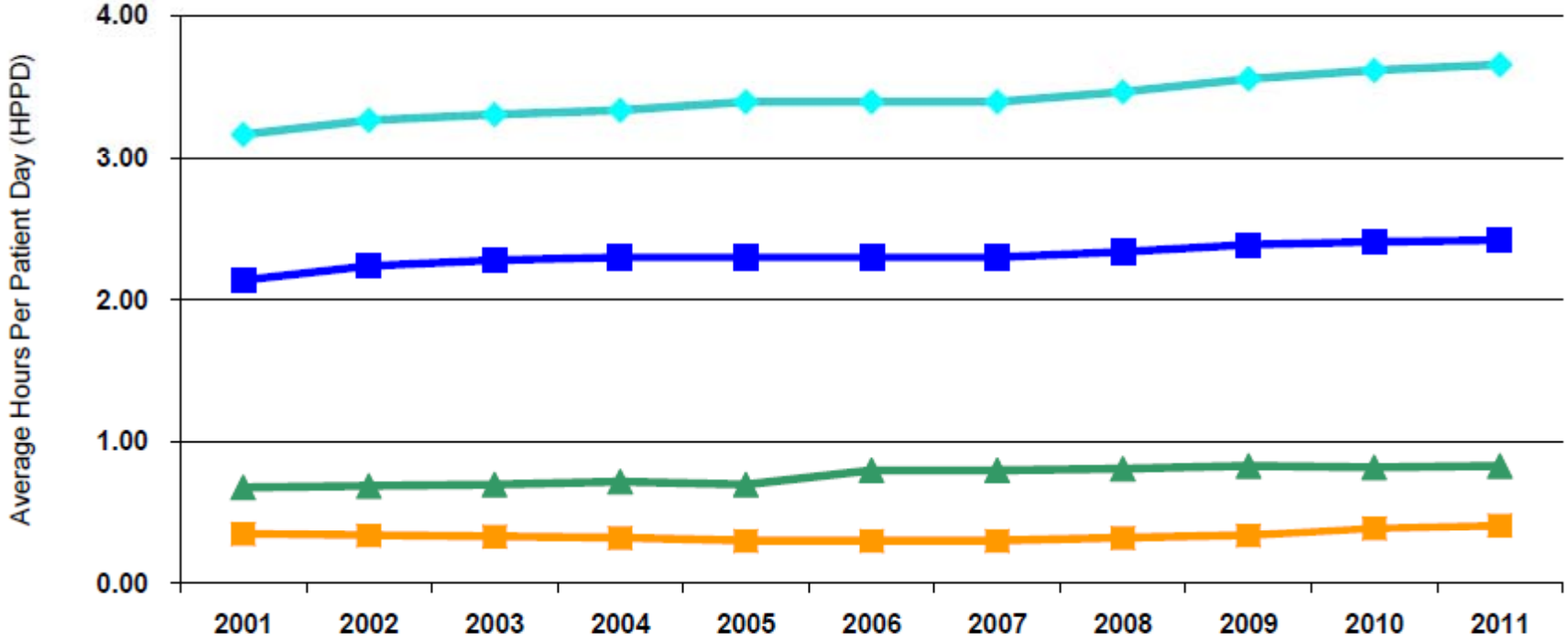
Trend in Certified Nursing Facilities, Beds and Residents



	Dec-01	Dec-02	Dec-03	Dec-04	Dec-05	Dec-06	Dec-07	Dec-08	Dec-09	Dec-10	Dec-11
Certifed Beds	1,695,446	1,699,647	1,689,937	1,681,917	1,676,413	1,673,085	1,671,238	1,668,895	1,666,797	1,670,426	1,665,459
Patients in Certified Beds	1,456,499	1,456,586	1,447,222	1,438,866	1,433,435	1,429,622	1,420,217	1,410,902	1,399,900	1,395,129	1,384,357
Certified Facilities	16,554	16,441	16,256	16,066	15,965	15,861	15,772	15,711	15,679	15,669	15,638

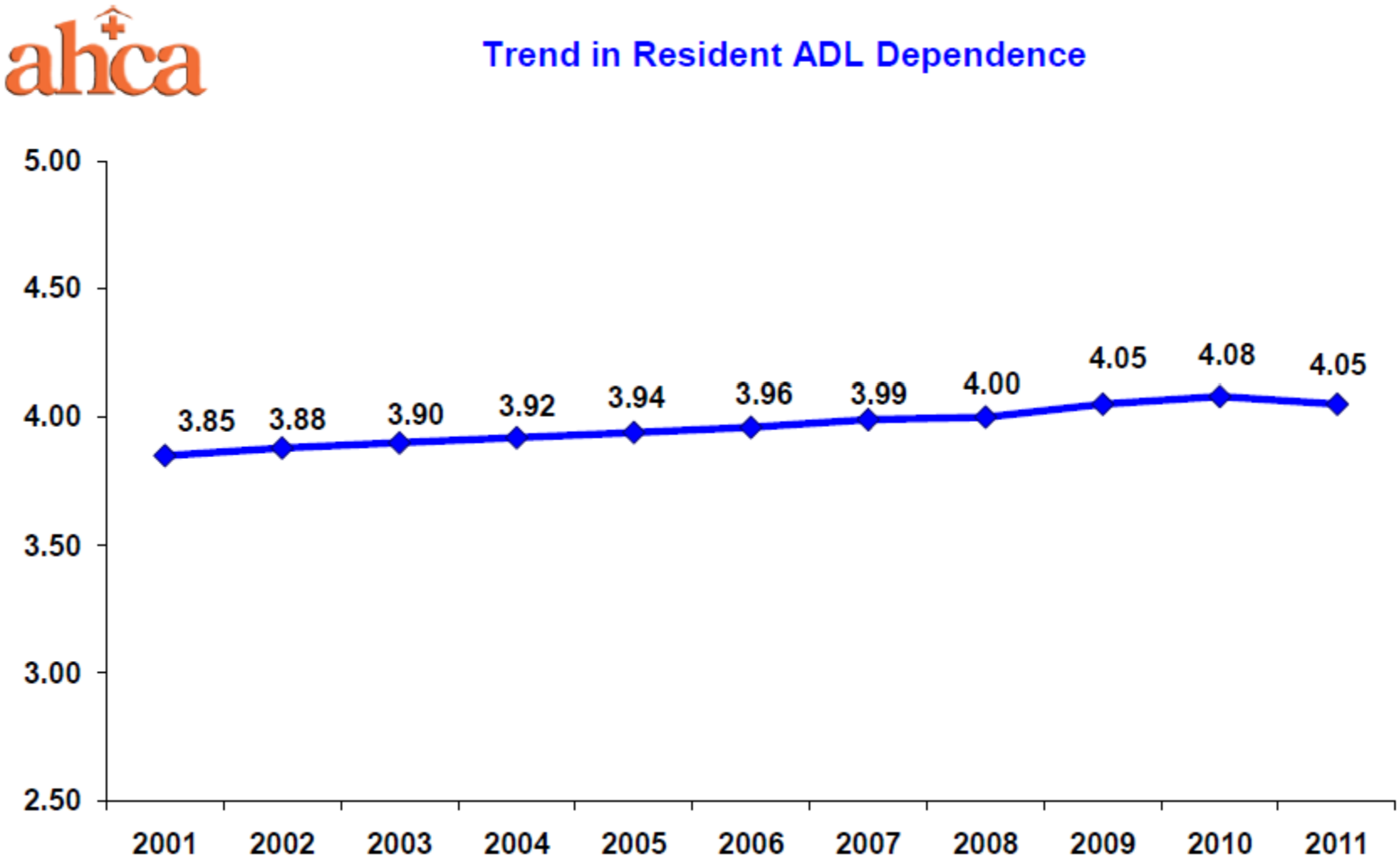
Source: Computed by AHCA R&R department using CMS Nursing Facility OSCAR standard health survey data.
American Health Care Association - Research Department

Nursing Facility Average Direct Care Staff Hours Per Patient Day



	Dec-01	Dec-02	Dec-03	Dec-04	Dec-05	Dec-06	Dec-07	Dec-08	Dec-09	Dec-10	Dec-11
DCS HPPD	3.17	3.27	3.31	3.34	3.40	3.40	3.40	3.47	3.56	3.62	3.66
Aide HPPD	2.14	2.24	2.28	2.30	2.30	2.30	2.30	2.34	2.39	2.41	2.42
LPN HPPD	0.68	0.69	0.70	0.72	0.70	0.80	0.80	0.81	0.83	0.82	0.83
RN HPPD	0.35	0.34	0.33	0.32	0.30	0.30	0.30	0.32	0.34	0.39	0.41

Note: Staff positions are measured in full-time equivalents, which is based on a 35-hour work week. Aide staff is equal to the sum of certified nurse aides+nurse aides in training+medication aides. Due to invalid or incomplete data, some facilities are eliminated from the staffing analysis.
Source: Computed by AHCA R&R department using CMS Nursing Facility OSCAR standard health survey data (Form 671: F41 - F45).
American Health Care Association - Research Department

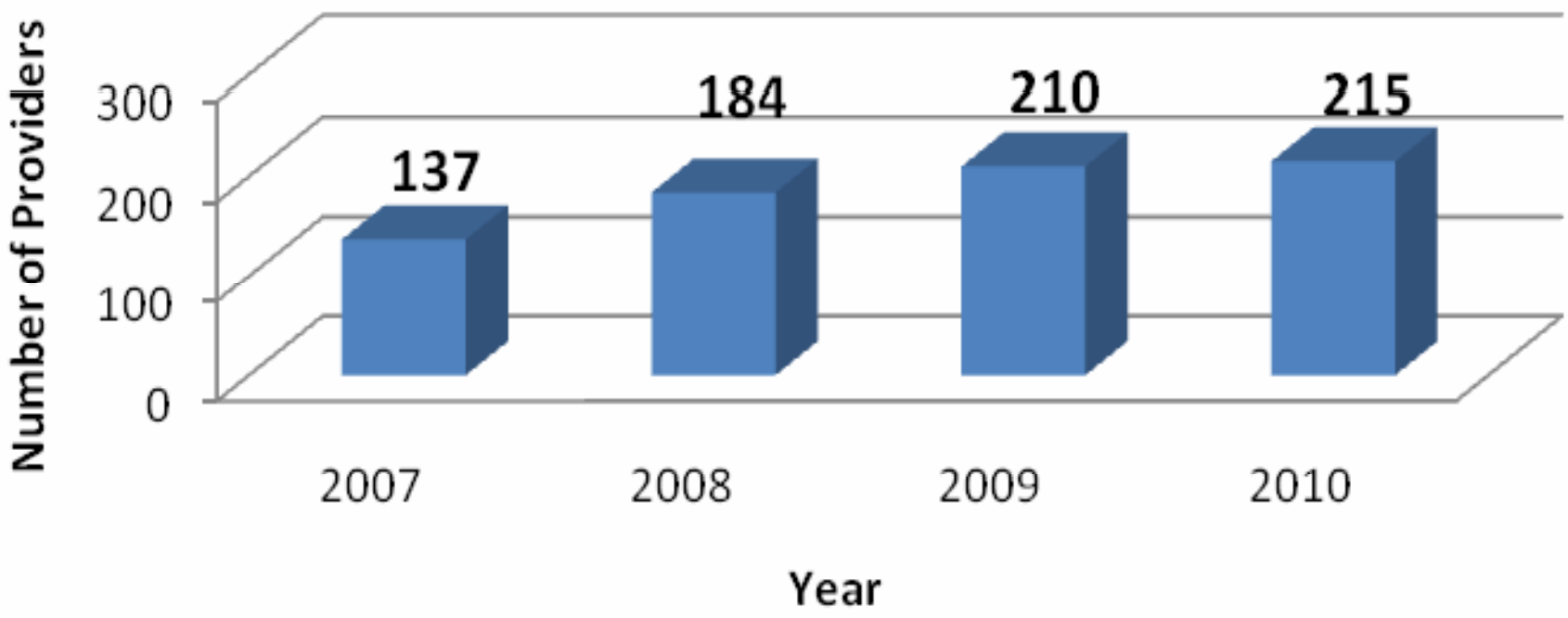


Source: Computed by AHCA R&R department using CMS Nursing Facility OSCAR standard health survey data. Various years. December.
American Health Care Association - Reimbursement and Research Department

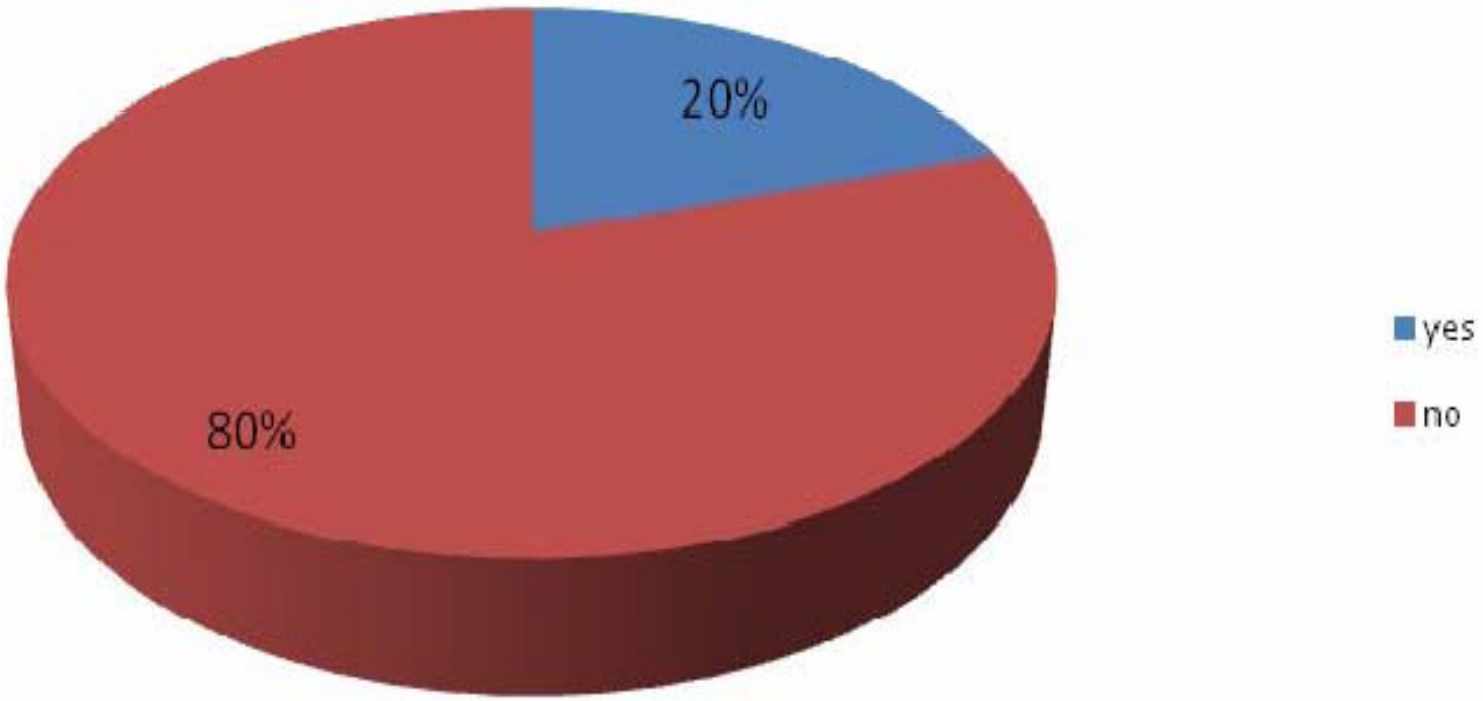
Changing the way we do business 2012

Trends in Assisted Living

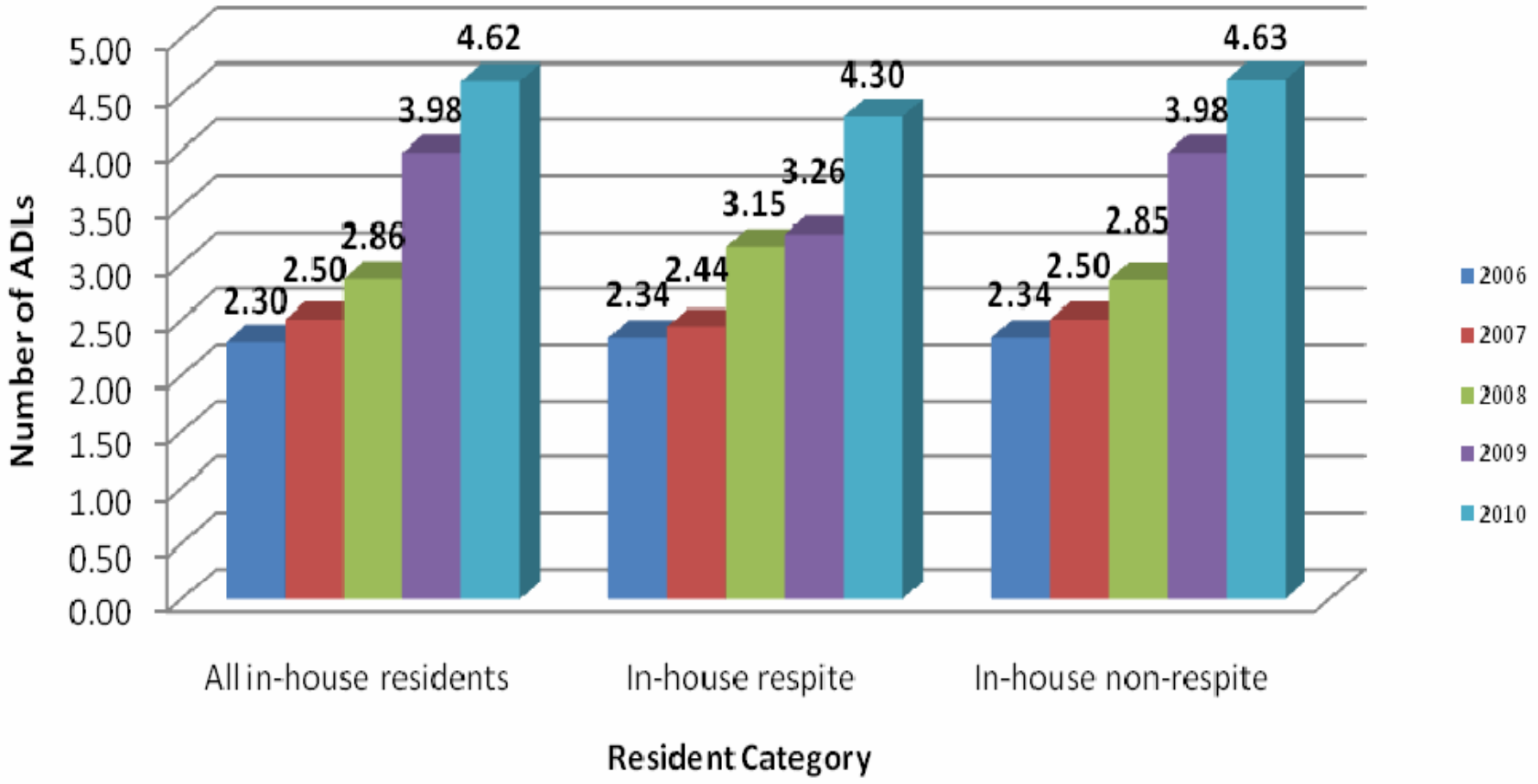
Number of providers participating in survey



2010: All in-house residents covered by Medicaid



Mean number of ADLs requiring assistance per resident



Changing the way we do business 2012

- **Funding status for Assisted Living**
  - **Flat rate continues for 2013 ($70/AL & $60/CPCH)**
  - **Recommended flat per diem for managed long term care post January 2013**

Changing the way we do business 2012

Advanced Standing

First

- **HCANJ Foundation sends notice of open enrollment**
- **To participate, a facility must obtain the AS package that includes:**
  - **Application**
  - **Attestation of Compliance**
  - **Contract**
  - **Invoice**

Next

- Facility returns completed application, with payment in full by date specified
- DHSS is notified of the application
- DHSS has 30 days to notify HCANJF of the facility's eligibility to participate in AS
  - Must be licensed for 2 years

Once approved

- **HCANJ Foundation Consultant**
  - **Requests select survey materials**
  - **Schedules compliance visit w/facility (1st year)**
  - **Completes compliance visit with facility**
    - **Verifies Performance Measures Survey participation, if available**
  - **Provides compliance visit report on-site**
  - **Facility resolves all outstanding issues**
  - **Consultant notifies HCANJF of completion, who in turn notifies DHSS – 30 days to grant AS**

Public Disclosure

- **Facility maintains regulatory compliance report for 4 years for on-site DHSS use during follow-up visits or complaint visits**
- **Any other report/notes for QA are confidential**
- **Facility receives a letter from DHSS advising of AS status, as well as letter of explanation regarding AS for public**
- **Facility receives a certificate from HCANJF**
- **Recognition on DHSS and HCANJ websites**
  - **Distinction on Facility Locator on the HCANJ website**

You need to know

- **A facility can choose to opt-out at anytime**
- **HCANJF Consultant is bound to report egregious non-compliance to DHSS**
- **A facility may require more than one day for the compliance visit**
  - **If so, additional fees assessed**

Other "must knows"

- **DHSS look-behind visits**
  - **25% first year of program**
  - **10% thereafter**
    - **First year visits are scheduled, the following two are randomly mixed**

This facility has been granted the distinction of

ADVANCED STANDING

By the New Jersey Department of Health and Senior Services

By

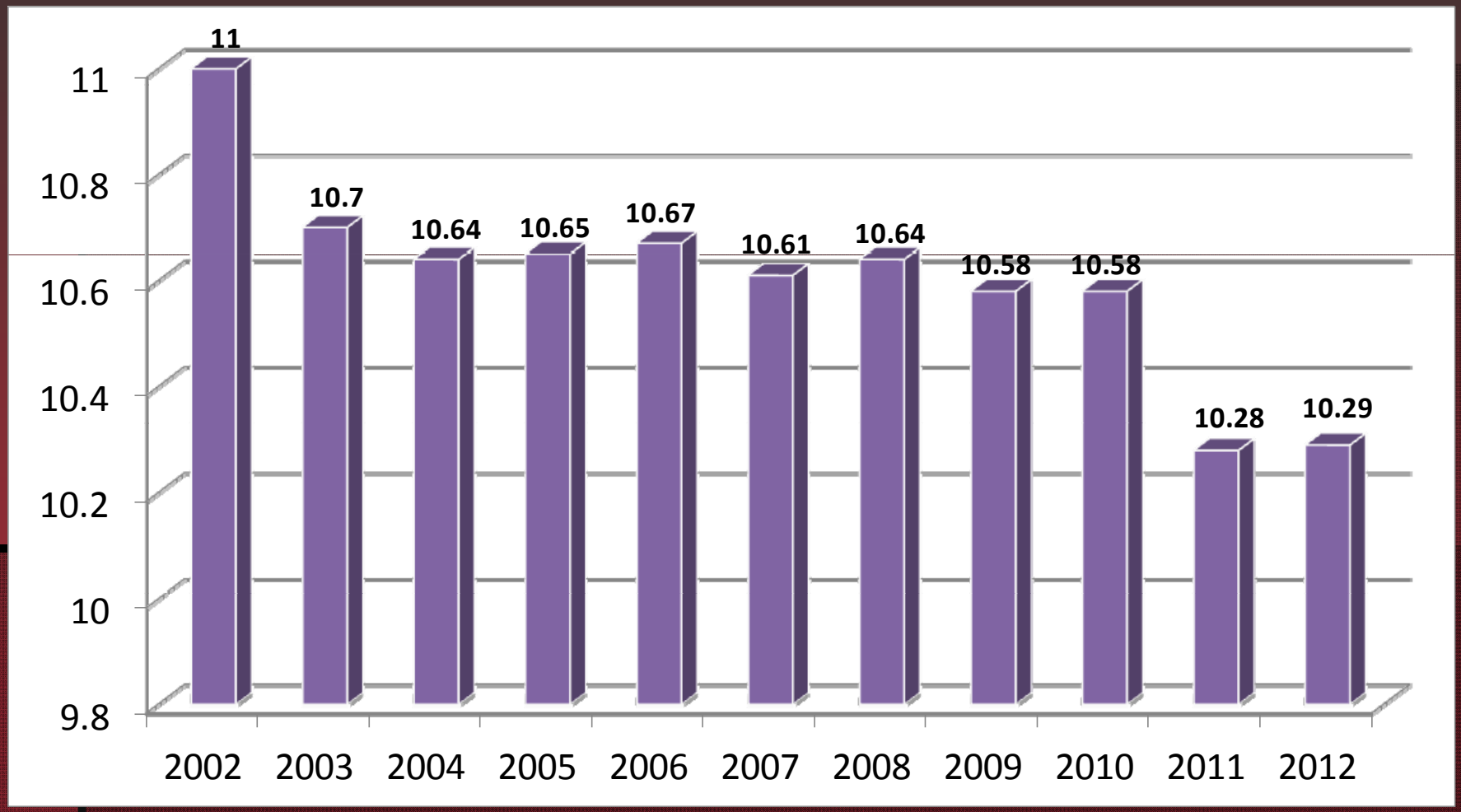
Date

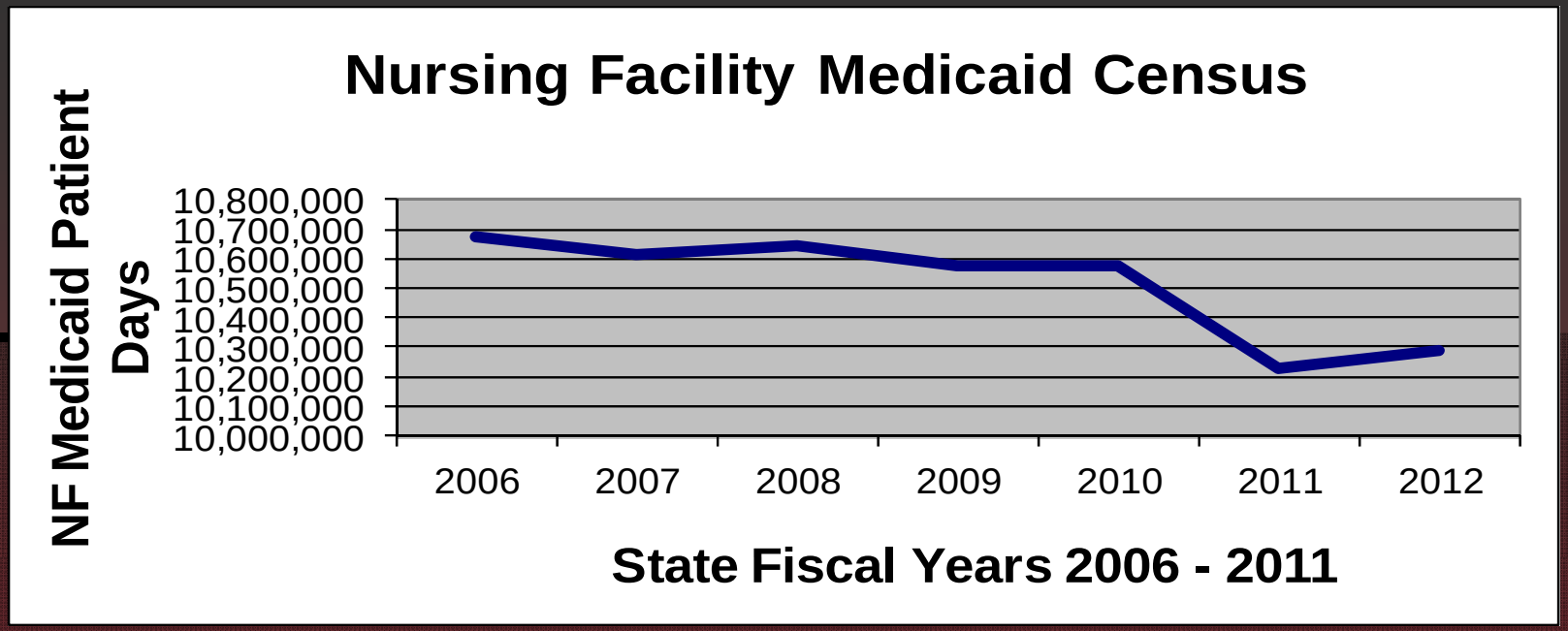
Changing the way we do business 2012

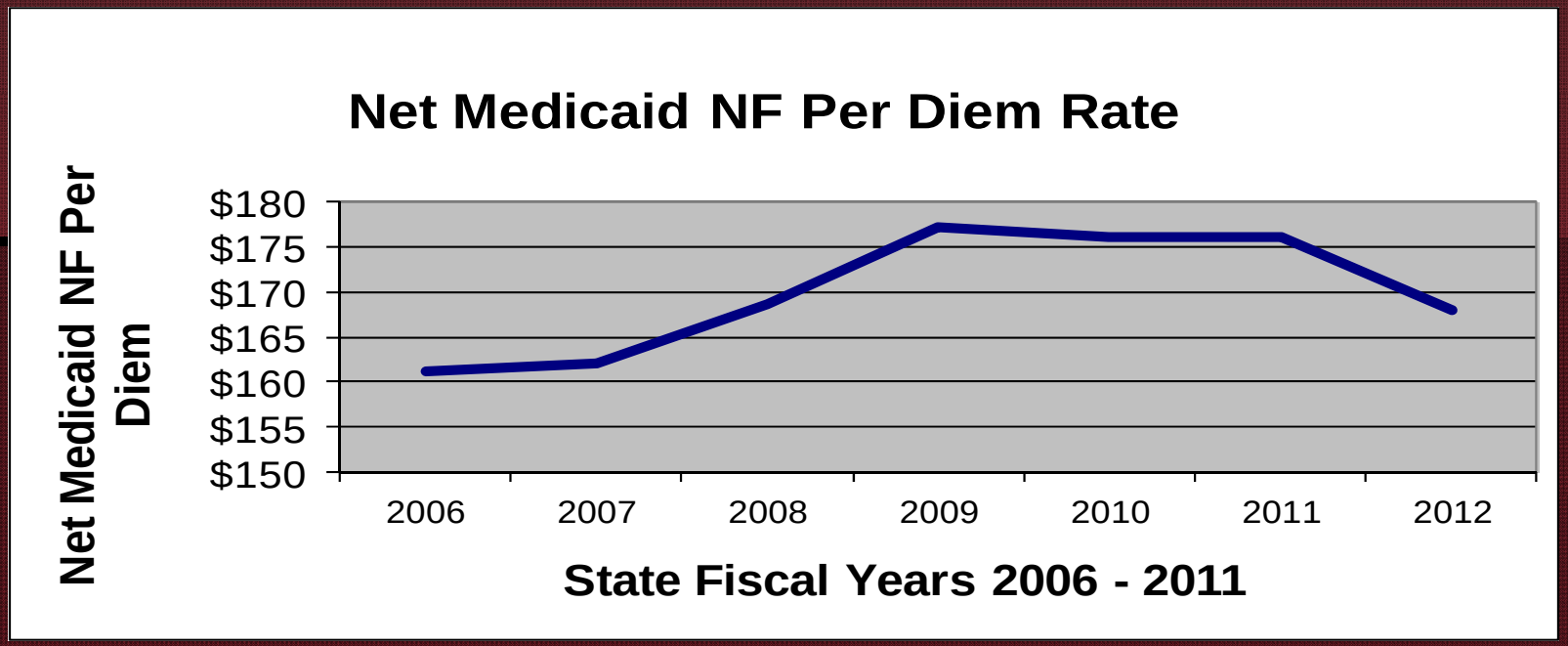
Nursing Facilities

Nursing Facility Patients by Payor

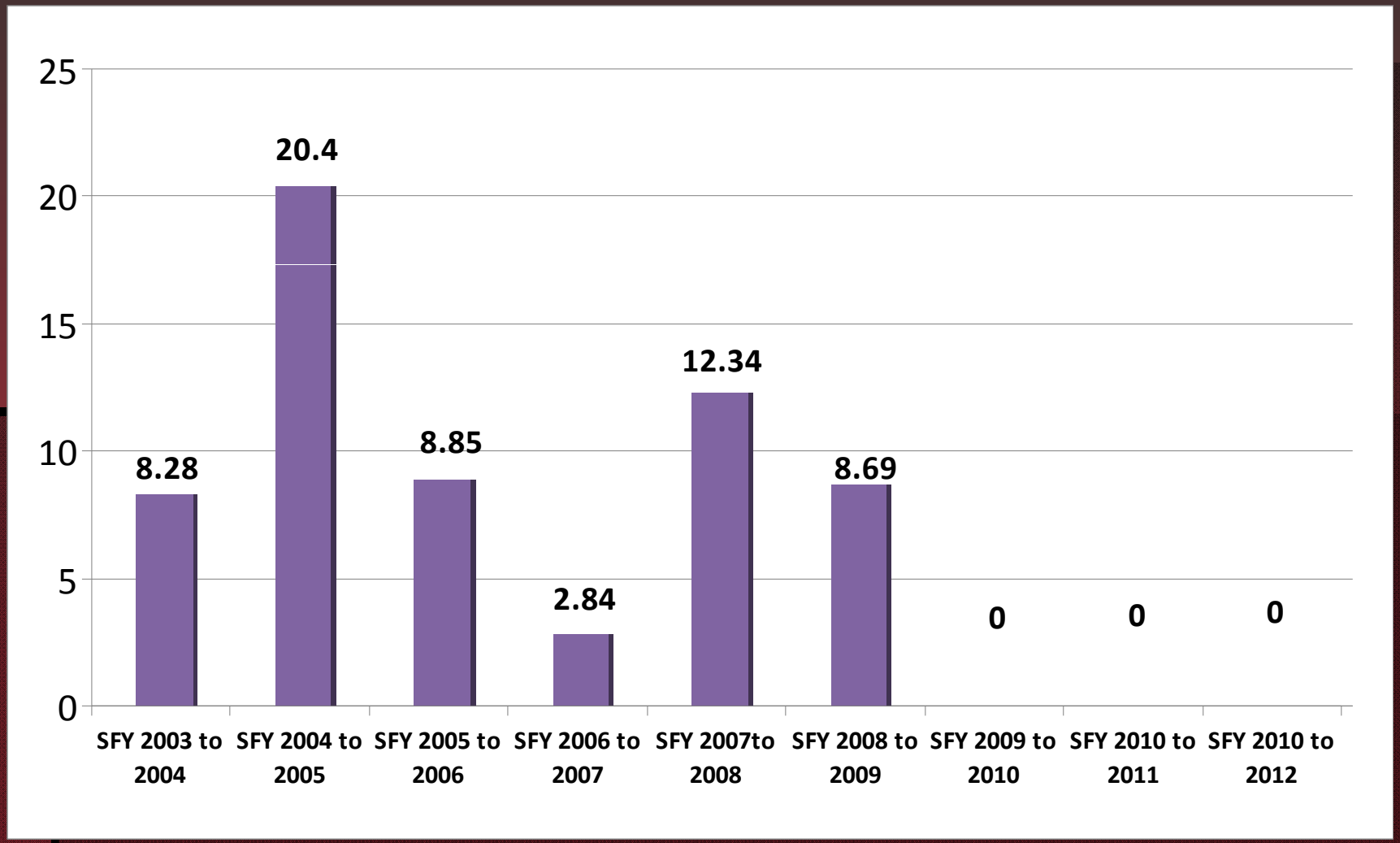
Medicaid Patient Days in Millions



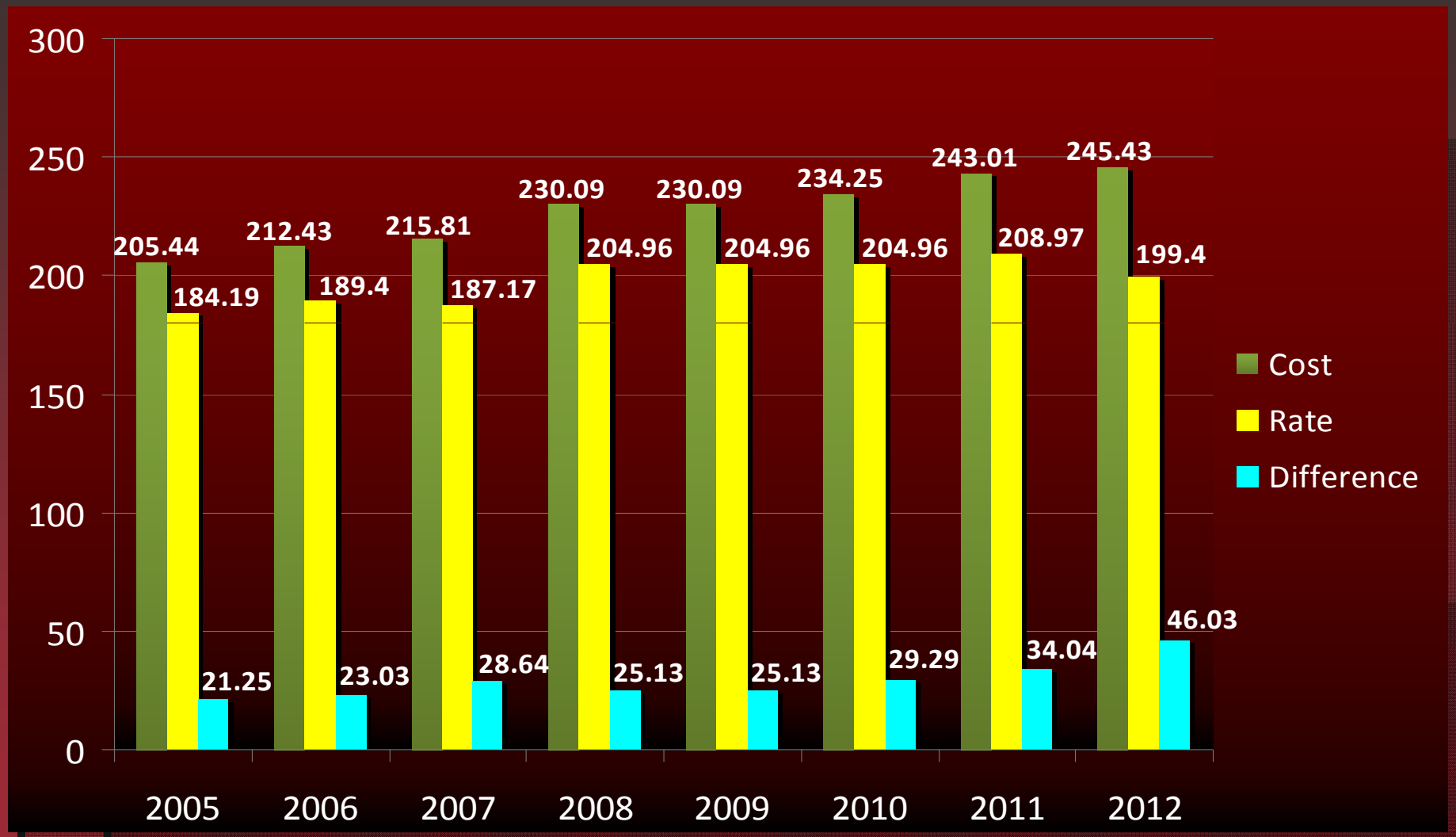

Nursing Facility Medicaid Census
NF Medicaid Patient Days
10,800,000
10,700,000
10,600,000
10,500,000
10,400,000
10,300,000
10,200,000
10,100,000
10,000,000
2006
2007
2008
2009
2010
2011
2012
State Fiscal Years 2006 - 2011


Net Medicaid NF Per Diem Rate
Net Medicaid NF Per Diem
$180
$175
$170
$165
$160
$155
$150
2006
2007
2008
2009
2010
2011
2012
State Fiscal Years 2006 - 2011

New Jersey Medicaid Nursing Facility Rate Increases



Cost rate analysis 2005 - 2012



Cost per diem for 2012 represents 2009 actual NF cost report data inflated by 2012 Social Security COLA of 3.6%.

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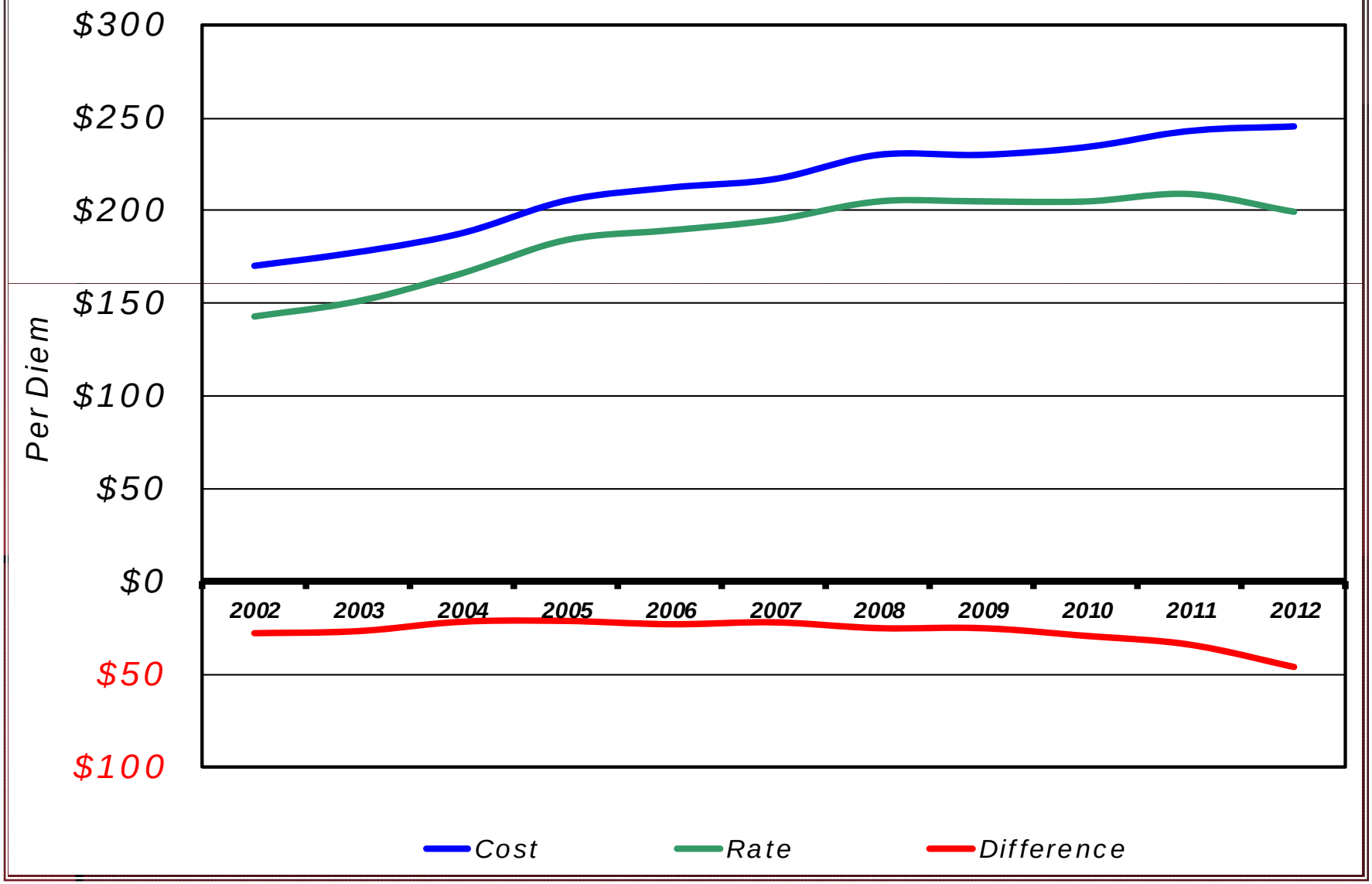
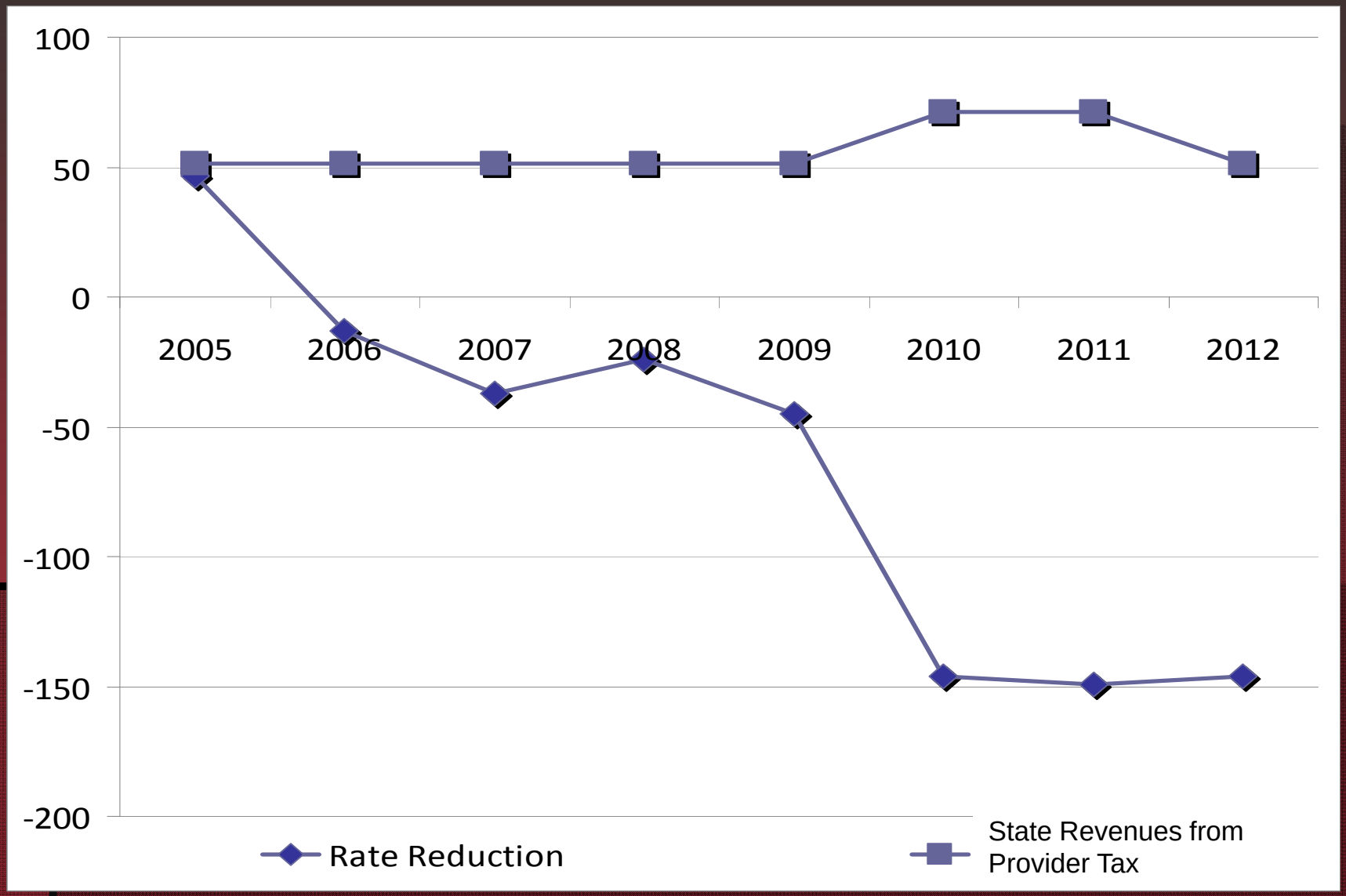
Cost Rate Analysis 2002 - 2012



Rates vs. Provider Tax Revenues



History of Nursing Facility Medicaid Rate Losses[1]

	Cuts to NF Rates[2]	Provider Tax to State
SFY 2012		
NF Rate Reduction (Budget Adjustment Factor—BAF)[3]	**$59 M**	
Pre-BAF Reductions in OPADM Price & DHC Limit	**$49 M**	
Inflation Adjustment & Rebasing Not Recognized/Flat Budget	**$64 M**	
Elimination of Bed-Hold & Therapeutic Reimbursement	**$37 M**	
	$209 M	**$ 51.5 M**

[1] FY 2012 Budget Proposal. All other years official New Jersey budget documents, Department projections
[2] and Federal Shares Combined
[3] State and Federal Shares Combined.

Changing the way we do business 2012

- **Rates cut by 3% for SFY 2012**
  (July 1, 2011 - June 30, 2012)
  - **No rebasing, no inflation**
  - **Rate cut applied unequally (0 – 8%)**
  - **49 NFs no cut**
  - **149 NFs partial cut**
  - **126 NFs 3% or >**

History of Nursing Facility Medicaid Rate Losses

SFY 2005 – 2012

	Cuts to NF Rates[1]	Provider Tax to State
TOTAL CUTS	**$ 635 M**	**$ 451 M**

[1] State and Federal shares combined

Changing the way we do business 2012

- **Discrete funds that will be rolled into the overall "global budget" which will be used to fund nursing facility payments**
  - **High Medicaid Occupancy**
  - **Payments to nursing facilities –Medicaid**
  - **Provider Tax "quality add-on"**
  - **If you don't spend it you don't get it**
  - **$10 win/loss corridor skews distribution**
  - **Overall $ available still insufficient requiring BAF**

Changing the way we do business 2012

- **2013 Governor's Budget proposal**
  - **+ $5 million state to NF line item**
  - **$5 win/loss corridor on 2012 rate**
  - **Net effect = saves counties at expense of high CMI facilities**

Changing the way we do business 2012

- **HCANJ proposal**
  - **Segregate Class I, II and III facilities**
  - **Hold SCNFs to 2012 rate**
  - **Provide $5 loss limit for counties**
  - **Add $25 million to regular NF funding and run rates per NJAC 8:85**

Changing the way we do business 2012

Total cost of HCANJ proposal

$30 million state dollars

Changing the way we do business 2012

Moving to Managed Care

(MLTSS)

Moving to Managed Care

- **Effective date for conversion of ABD institutional beneficiaries changed to January 2013**
- **Three Association coalition recommends six elements to DHSS and DHS Commissioners for phase in of Managed Medicaid LTC**

Six Elements for MCO Conversion

1. **Contracts with MCOs contain any willing provider (AWP) provision**
   - **Preserve safety net**
   - **Transitions existing beneficiaries**
   - **Does not trigger CN/Licensing changes**
   - **More stability for LTC residents selecting different MCOs w/o network overlap**

Six Elements for MCO Conversion

2. **State sponsored managed LTC rate setting using current casemix based system for 3 years**
   - **Rehospitalization and delayed initial entry saving strategies commensurate with this approach**

Moving to Managed Care

3. **Centralize and concentrate eligibility determinations and electronically enable access to system by all users**
4. **Simplify and standardize the billing process to improve cash flow**
5. **Provide a minimum of 6 months training and education before “go live” date**

Moving to Managed Care

6. **Remove Special Care Nursing Facilities from rate setting system and develop new rate methodology for same**

Moving to Managed Care

- **First meeting of the Managed Long Term Support Services Steering Committee on March 14, 2012**
- **Breakout into 4 workgroups**
  - **Assessment to Appeals**
  - **Assuring Access**
  - **Provider Transition to MLTSS**
  - **Quality and Monitoring Strategy**

Timelines for MLTSS Workgroups

- **First meeting the week of March 19th**
- **Weekly meetings through the end of April**
- **Report to MLTSS Steering Committee first week of May**
- **Additional meetings, as needed, in May after MLTSS Steering Committee comments**
- **Final recommendations by MLTSS Steering Committee by June 1st**

Assessment to Appeals

- **Define screening stages to qualify for and access MLTSS & appeal process**
- **Identify screening/assessment tools**
- **Examine organizations & related organizational responsibilities & interrelationships**
- **Produce an "Assessment to Appeals" guidebook**

Assuring Access

- **Identify points of access to MLTSS & State Plan services**
- **Provide recommendations to prevent barriers to access**
- **Identify infrastructure necessary to support good access**
- **Produce an "Assuring Access" guidebook**

Provider Transition to MLTSS

- **Identify transition issues for current long term care providers**
- **Provide recommendations to MLTSS Steering Committee for easing transition barriers**

Quality & Monitoring Strategy

- **Define quality measurement & monitoring activities to support MLTSS**
- **Make recommendations for integrating MLTSS quality into overall Managed Care Quality Strategy process**
- **Workgroup products**
  - **List of organizations & functional responsibilities for quality monitoring**
  - **MLTSS quality measurement set**
  - **Reports, existing & new, used to monitor quality of MLTSS**

Legislative Issues

Legislation Impacting All Health Care Facilities

A392

Sponsors: Wolfe (R10); Casagrande (R11)

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 amendment to require reports to local law enforcement only when there is reasonable suspicion of a crime. 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. Senate bill still in committee in that house.

A2188

Sponsor: Conaway (D7)

Summary: Permits reuse of returned prescription drugs within licensed health care facilities; directs Commissioner of Health and Senior Services to evaluate feasibility of reuse for treatment of indigent persons.

Position: Support

Notes: Substitute with bill being developed by RX Redistribution Task Force that would establish a central return point to redistribute unused prescriptions to indigent persons.

S81

Sponsor: Bateman (R16)

Summary: Prohibits health care institutions from discharging prescription medications into sewer or septic systems.

Position: Monitor

Notes: Bill includes HCANJ-sought amendments to require DEP to establish acceptable alternative disposal methods and for DHSS to deem approved facility plans that utilize those alternative methods. Amendments also extended time frames in bill and reduced penalties for non-compliance. Assembly Bill is also on second reading in that house.

Legislative Issues

Legislation Impacting Nursing Facilities

A1003

Sponsor: Vainieri Huttle (D37)

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

Position: Oppose

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

A2172

Sponsors: Conaway (D7); Singleton (D7)

Summary: Requires health care facilities to offer influenza vaccination to their health care workers.

Position: Oppose

Notes: Includes HCANJ-sought amendment to provide that non-compliance shall not constitute a licensure violation or deficiency. HCANJ opposes last session Senate sponsor amendment requiring facilities to report immunization rates to DHSS. Senate bill is still in committee in that house.

A2261

Sponsors: Greenwald (D6); Prieto (D32); Benson (D14)

Summary: Supplemental appropriation of $38 million in State and federal funding to DHSS to fund nursing homes.

Position: Support

Notes: Senate bill still in committee in that house.

S142

Sponsors: Buono (D18); Weinberg (D37)

Summary: Requires certain health care facilities to adopt certain infection control strategies.

Position: Oppose

Notes: Applies to nursing facilities and hospitals. Requires identification of colonized or infected patients through screening of every patient upon admission and isolation of identified patients.

S669

Sponsors: Stack (D33)

Summary: Requires nursing homes to permit use of electronic monitoring devices at request of resident.

Position: Oppose

Notes: Minimally, seek amendment to ensure other patients' right to privacy and remove liability for facilities.

Legislative Issues

Legislation Impacting Assisted Living Facilities

A2179

Sponsors: Conaway (D7)

Summary: Requires all assisted living facilities set aside at least 10% of beds for Medicaid-eligible persons and accept at least 5% Medicaid direct admission.

Position: Oppose

Notes: Sponsor recognizes problems with bill and is not expected to advance.

Regulatory Issues

- **Assisted Living Disclosure Statement**
  - **Will be required by all ALs in New Jersey**
  - **For consumers to use to compare services among ALs**
  - **To be provided at inquiry, tour & move-in**
  - **Contains information that facilities are already providing to consumers**

The PointRight Value Proposition: How Can PointRight Help HCANJ Members?

- **Improve Compliance**
  - Government, internal policies & procedures
  - Precise data integrity
- **Optimize Reimbursement**
  - Maximize Medicare and Medicaid revenue
  - Minimize survey deficiencies & fines
- **Better Risk Management**
  - Flag residents, facilities & divisions
  - Mitigate litigation risk
- **Improve Clinical Outcomes**
  - Proactive care planning
  - Target resource allocation

PointRight Web-Based Services

Data Integrity Audit : real-time analysis of all MDS assessments prior to submission

- Provides alerts and feedback for logical and clinical inconsistencies, coding errors, clinical essentials and risk management priorities
- Also provides feedback that impacts ADLs and may move the RUG

Submission Date: 01/29/2012 11:29:13 AM
Issue GC1 Resident has severely impaired cognition (C0500 or C1000) but is independent or requires supervision only with all ADLs.

Show Less <<

Why this is an issue: A resident who has severe cognitive impairment generally requires hands-on assistance with at least some ADL tasks. Inaccurate coding of ADLs may affect reimbursement under RUG-based Medicare and Medicaid payment systems.
Resolving the issue:

- Review the resident's ADL self-performance over all shifts to ensure that no episodes of impairment are missed. The RAI 3.0 Manual on page G-4 states, "A resident's ADL self-performance may vary from day to day, shift to shift, or within shifts … The responsibility of the person completing the assessment, therefore, is to capture the total picture of the resident's ADL self-performance over the 7-day period, 24 hours a day".
- If the ADL activity occurred only once or twice during the 7-day look-back period, this item would be coded as "7" instead of "0" (p. G-5).
- Refer to Chapter 3, Section C of the RAI 3.0 Manual to ensure that the BIMS interview and/or the staff assessment of mental status are being performed correctly.

Clinical considerations:

Planned resolution:

- (•) Undecided
- ( ) Reviewed no action
- ( ) Change MDS

PointRight Web-Based Services

Performance Portfolio : real-time clinical, risk management, and financial tools with group and facility level views.

- **RADAR: Proactively identifies residents who are high risk for end of life, re-hospitalization, a pressure ulcer or fall before next assessment**
- **Medicare PPS: Financial analysis, forecasting and trending**
- **QM: CMS specified outcomes and trending NEW!**

RADAR Report - MDS 3.0 View MDS 2.0

Created on: 3/13/2012 at 10:49 AM Looking Back To: 9/20/2011

Legend
- High Risk
- High Risk with Decline
- Decline
- RI Resident Interview
- SA Staff Assessment

RADAR Report as of: 01/02/2012

Risk Assessment Details - Active Residents

				Profile Scores											
					Cognition		Delirium	Mood (PHQ-9©)		Pain					
Resident	Room#	ARD	QM	ADL	BIMS	CPS	CAMD	RI	SA	RI	SA	Falls	Frail	Hosp	PU
PRTOJ, GZOPP	123	12/19/2011	QM Alert	12	15	–	0	0	–	0	–	1	7	10	8
QIUZR, IWPOO	119	12/28/2011	QM Alert	16	6	–	0	99	12	0	–	1	7	10	8
ETIVR, BTTVT	206	11/23/2011	QM Alert	0	14	–	0	2	–	0	–	6	2	8	1
NSIDE, WSPXI	118	12/24/2011	QM Alert	6	13	–	0	3	–	0	–	6	3	7	5
BMYBF, NLMFO	03	12/28/2011	QM Alert	11	9	–	0	0	–	9	–	2	2	6	7

PointRight Web-Based Services

CMI Now NJ : real-time tracking and forecasting of Medicaid revenue

- **Provides executive summary, RUG distribution analysis, and "What if" tool to show how potential RUG changes will impact reimbursement**

CMI Now Executive Summary - As on 03/15/2012 04:04 PM ET

	My Data Now	Change Since Q4 2011	CMI Rate Impact	[1] Annualized Reimbursement Impact	Quarterly Average for Q4 2011		
					My Data Quarterly Average	My Data Ptile Rank	** State Average
Medicaid Census	129	(14)			143	100	46.00
Full House Census	**162**	**(26)**			**188**	**80**	**103.67**
Average Medicaid CMI	0.9498	0.0058	TBD	TBD	0.9440	0	1.1189
Average Full House CMI	**1.0243**	**0.0289**			**0.9954**	**0**	**1.1723**

RUG(Resource Utilization Group)	ADL Index	Non ADL End Splits	RUG	Index Max	My Data Now		
					CMI	# Residents	Percent Residents
Rehabilitation						**2**	**3.4%**
Therapy 150 Minutes a Week Minimum (PT, OT, ST Combined) 5 Days Across 3 Disciplines OR: at Least 45 Minutes Therapy + 2 or more Nursing Rehab in Each of 6 days	17 - 18	Do Not Use Section T	RAD	3	1.66	0	0.0%
	14 - 16		RAC	8	1.31	0	0.0%
	10 - 13		RAB	11	1.24	0	0.0%
	4 - 9		RAA	13	1.07	2	3.4%
		Rehabilitation Category Total				2	3.4%
Extensive Services (ADL < 7 = SSA)						**3**	**5.2%**
Special Care (ADL < 7 = CAx)						**4**	**6.9%**

The HCANJ Executive Dashboard puts at your fingertips all the links a long term care facility administrator could need throughout the day.

When breaking news happens, a flashing link will appear here.

In addition, a daily news feed keeps you up to date on the latest healthcare news.

All the links from the main www.hcanj.org home page are also available.

Click here to make the HCANJ Executive Dashboard your home page and stay connected!

To-Do List For the Next 30 Days

1. **Contact your State Senator and Assemblypersons regarding 2013 Budget**
2. **Schedule visit at your facility for local and state officials**
3. **Have employees write letters to elected officials**
4. **Attend next HCANJ business meeting**
5. **Monitor HCANJ website and e-mail communications for activity related to the budget**