APPENDIX #2
SB 06-131 COMMITTEE
Behavior Subcommittee Report and Recommendations

Introduction

Senate Bill 06-131, in addition to special direction from state legislatures, has requested that the state of Colorado and its nursing facility providers develop a reimbursement system for nursing facilities that will more adequately recognize the special care requirements for individuals with behaviors. The Behavior Subcommittee was given responsibility to assess the problem and develop recommendations that would be financially appealing to the providers and continue access to quality care for these individuals. The committee reviewed numerous state programs such as Georgia, Wisconsin and Illinois as a foundation for development of a system that recognizes the unique issues in Colorado.

Providers in Colorado nursing facilities have identified two populations of residents with behaviors that are related to cognitive loss/dementia or severe mental health diagnoses. These individuals require additional staff resources and training to provide the specialized care they need. Studies were conducted and analyzed by the subcommittee and recommendations have been developed to address the unique problems that facilities must address for individuals with cognitive loss/dementia or severe mental illness. The following information highlights the proposed recommendations.

Cognitive Loss/Dementia

Many residents in nursing facilities exhibit signs and symptoms of decline in intellectual functioning. For most residents, the syndrome of cognitive loss or dementia is chronic and progressive, and appropriate care focuses on enhancing quality of life, sustaining functional capacities, minimizing decline, and preserving dignity. Nursing facilities may choose to develop special care units for individuals with cognitive loss or they may opt to care for the residents on their regular units with additional staff or technical support in the way of alarms to monitor the activities of these residents.

The Minimum Data Set (MDS) contains a number of items that can be used to measure a resident's cognitive performance. Researchers in the development of the MDS used items from the instrument to develop a Cognitive Performance Scale (CPS). The CPS is a scale from 0-6, zero meaning the individual is cognitively intact and 6 meaning the individual is comatose. Individuals with a CPS score of 2 or 3 have difficulty making decisions and have issues with long- and short-term memory. Residents with a CPS of 2 or 3 might need additional supervision and monitoring. A score of 4, 5 or 6 indicates moderate or severe impairment and residents would need additional staffing assistance to anticipate their needs and the provision of a secure environment.

A case mix payment system is used in Colorado to reimburse the nursing facilities for the Medicaid residents. Case mix payment systems recognize the staff resources used to care for different kinds of residents. The MDS is used to collect resident information and

acuity. Once the MDS is completed, a RUG-III Classification is calculated for each resident. Colorado is using the RUG-III 34 group classification system. A different rate has been established for each of the 34 RUG groups based on staff resources and resident acuity. If a resident has heavy care needs, then the nursing facility would receive more reimbursement for that resident. If a resident has lighter care needs then there would be less reimbursement for that resident. Case mix payment systems are used in the Medicare post-acute skilled nursing facility program and over 50% of the states use it for Medicaid reimbursement.

The RUG-III classification system was developed by the Centers for Medicare and Medicaid Services (CMS). The current version of the RUG-III Classification system was developed in the early '90s. The Behavior group in the RUG system has been criticized for not recognizing the staff resources these individuals require. Currently CMS is conducting new time studies for this population. Also, the current MDS 2.0 assessment is being re-evaluated and may be replaced with the MDS 3.0, a new version that may have new items to assess this population's special care issues.

The Colorado Behavioral Subcommittee has explored several options to recognize nursing facilities that have residents requiring additional resources to meet the needs of those individuals with moderate to severe cognitive loss. The subcommittee is proposing to recognize nursing facilities with higher populations of residents with a CPS score of 4, 5 or 6 with an additional dollar amount or rate add-on. According to MDS data from 4.1.07, the Colorado statewide average for Medicaid residents with a CPS score of 4, 5 or 6 is 24.34 percent. Nursing facilities that are one, two or three standard deviations from the state-wide average would receive an add-on to their current reimbursement rate. The state-wide average would be calculated on an annual basis to determine the nursing facilities that would receive the add-on payment.

CPS Add-on

One standard deviation	24.00 to 38.82%	Add-on rate of $1.00/day
Two standard deviations	38.83 to 55.36%	Add-on rate of $2.00/day
Three standard deviations	55.37 to 100%	Add-on rate of $3.00/day

Severe Mental Illness Population

A second population of residents with behavior problems is individuals admitted to nursing facilities with a severe mental illness (SMI) diagnosis. These individuals tend to be younger, are more mobile, require specialized services to address their mental illness as well as medication management and coordination of services with community mental health centers.

An analysis was completed on the number of residents in nursing facilities that had various mental illness diagnoses to determine the scope of the problem. The analysis revealed facilities that had the highest population of residents with severe mental illness diagnoses also tended to have lower case mix index (CMI) scores. The CMI is used to set the case mix reimbursement for the nursing facilities based on the RUG-III classification that is determined by the MDS assessments.

Nursing facility staff also reported that the MDS assessment does not adequately capture the behaviors that this population has and the additional resources that they must provide to keep these individuals safe and involved in facility activities and programs.

Individuals with a severe mental illness can be placed in nursing facilities after they have been evaluated by the Mental Health Authority (MHA) through the Preadmission Screening and Resident Review (PASRR) process. The MHA determines whether an individual with a severe mental illness requires a nursing facility level of care with or without specialized treatments.

PASRR was intended by Congress to prevent long term nursing facility placement of individuals who cannot be cared for adequately in that setting due to serious mental illness or mental retardation. Any individuals with these conditions who are determined by thorough evaluation to be appropriate for admission to a nursing facility must be provided with the mental health/mental retardation services that they require. Nursing facility providers have been willing to accept these individuals but they have also determined that this population requires additional staff training, resources and specialized psychiatric rehabilitation programming to meet the individual's unique needs to assist them with successful community reintegration.

The subcommittee then met with the state PASRR coordinator to determine what options were available to address their issues with this population. The PASRR coordinator reported that data was being collected on all of the residents in nursing facilities that have a Mental Health PASRR Level II designation. There are an estimated 1,828 individuals currently in nursing facilities with this designation. Discussion about the high number of individuals that were 80-100 years of age revealed that some of these individuals may no longer have a severe mental illness as their primary diagnosis and their primary diagnosis would most likely be dementia if they were re-evaluated.

The state of Wisconsin has amended their PASRR policies to permit three options to individuals with SMI applying for long term care.
The options are:

1. Specialized services, which will mean the person requires inpatient psychiatric hospitalization, consistent with the CMS interpretation of the PASRR regulations.
2. Specialized psychiatric rehabilitation services (SPRS), which will mean the services determined by the comprehensive assessment and the SPRS care plan necessary to prevent avoidable physical and mental deterioration and to assist clients in obtaining or maintaining their highest practicable level of functional and psycho-social well being.
3. Neither specialized services nor specialized psychiatric rehabilitation services.

Wisconsin has an additional $9.00/day/individual add-on for those Medicaid residents in a nursing facility that require specialized psychiatric rehabilitation services. The nursing facilities bill the department on a quarterly basis for the number of days the individual was in the facility receiving these specialized services. Individuals are authorized for

SPRS services on a six-month basis and then re-evaluated to determine the continued need for services. The Behavior Subcommittee also explored the possibility of an add-on for the facilities using the Wisconsin Behavior/Cognitive Index. The Wisconsin index was run on the Colorado nursing facilities and it appeared to not recognize the facilities with known high SMI populations.

The Behavior Subcommittee has agreed to the concept of the Wisconsin model and recommends that a two-tiered system be implemented. The development of a two-tiered model is proposed with a base amount for facilities that care for PASSR Level II residents in addition to a base amount for facilities who offer specialized behavioral services. The first tier would be available to any nursing facility that accepts a PASRR Level II resident. These facilities would be reimbursed an established amount to provide and coordinate the specialized behavioral services for the individual. The second tier would recognize those nursing facilities that have developed specialized behavioral services and provide them in the facility utilizing facility staff.

A process to determine the specialized nursing facilities will need to be developed. The Subcommittee is exploring the development of a committee that would define the criteria and a review process for facilities. Another option that is under consideration would be to develop a request for proposals and seek a contract entity to develop the criteria.

The Subcommittee has defined specialized behavioral services as enhanced staffing in social services and activities, specialized training for staff on behavior management, creating resident specific written guidelines with positive reinforcement, crisis intervention, and psychotropic medication training. Specialized programs are also essential that include daily therapeutic groups such as anger management, conflict resolution, effective communications skills, hygiene, art therapy, goal setting, problem solving, Alcoholics Anonymous and Narcotics Anonymous, in addition to stress management/relaxation groups such as Yoga, Tai Chi, drumming, and meditation. Therapeutic work programming, community safety training, and life skills training that include budgeting, and learning how to navigate public transportation and shopping, for example, are also required to increase the resident's skills for successful community reintegration.

Facilities will be required to provide validated evidence that supplemental programming is occurring in order to be considered for an additional reimbursement amount. The facilities are also required by federal regulation to develop a care plan for these individuals that addresses their unique care needs.