

NFAC/PFAB

March 15, 2023

Agenda

- Announcement, Introductions
- P4P / SBS Reminders
- Outstanding Quarterly Financial Reports
- PDPM Transition
- PNA / PETI Regulation
- HB23-1228 planning and feedback
- Hospital Discharge Supplemental Payment
- Wage Enhancement Supplemental Payment
- SFY 2023-24 Model
- Public Comment

You're invited!

Please join the HCPF team to share your feedback on model options for individuals transitioning out of nursing facilities and other institutional settings

As part of the ARPA 4.01 Residential Innovations Initiative - Models of Care, HCPF and partners at the Mission Analytics Group, have explored innovative home and community-based models from around the country that support transitions from institutional settings, such as nursing facilities, to community-based settings. HCPF invites you to learn about the results of this analysis and to share your feedback.

There are three meeting date and time options. Please select the registration link below to register in advance for the meetings.

- April 11, 5:30-6:30pm MT
 - Registration link:
<https://us06web.zoom.us/meeting/register/tZwpdu-vpzwoEtWJcCxgkFZEZmv3pbJ8AvfB>
- April 13, 2:30-3:30pm MT
 - Registration link:
<https://us06web.zoom.us/meeting/register/tZMsc-mvqD0tHdeOmoswkZtMOIUIA-B-7SNs>
- April 19, 11:00-12:00pm MT
 - Registration link:
<https://us06web.zoom.us/meeting/register/tZUuf-yvpjstHNxGOtqb0BXqQSy17u5Za3Ef>

Please register for only one meeting. You will be able to indicate during registration if you require accommodations to fully participate in this event. Please contact austin.leffel@state.co.us with any questions.

Pay for Performance

- Application window closed
- Preliminary review issues must be resolved by March 16th
 - 62 homes had findings
 - 30 have responded (as of this morning)
- 127 Applications received

Supplemental Behavioral Services

- Application is posted to the [website](#)
- COVID accommodations removed, otherwise no changes
- Submission to Christine Bates by March 31, 2023
 - Christine.Bates1@state.co.us

Outstanding Quarterly Financial Reports

- ~40 facilities have not provided quarterly financial documents due January 31st following multiple rounds of communications
- Another round of notices sent today
- HB 22-1247 and Regulation includes authority to withhold payments
 - Process will be initiated in April for non-compliant providers

PDPM Transition

- HCPF moving forward with State Plan and Regulation transitioning to PDPM on July 1, 2023
- Using only nursing component of PDPM
- Regulatory review opportunities will be shared in April
- Prevents the need for an OSA in October
- We will be including a ‘safety net’ to policy related rate changes

PNA / PETI Regulation

- HCPF is also updating PNA / PETI Regulations including general updates to 8.400
- Intended to clarify and enforce PNA account rules
- Stakeholder reviews in April (targeting May MSB)
 - Direct comments to Richard and Christine

HB 23-1228

- 10% increase in statewide average iC rate in SFY 23-24
- New supplemental payment for high Medicaid utilizers
 - \$10/day for >85% Medicaid utilization
 - \$5/day for 75-85% Medicaid utilization
- Remove Medicare cost from Medicaid reimbursement
- Increase P4P, PASRR, CPS supplemental payment minimums
- Transition methodology to Regulation by 2026
- Expanded financial reporting

Medicare Cost Removal

- Medicare costs removed from July 1, 2024 rates
 - With a ‘safety net’ accommodation
- Cost reports will receive proposed adjustments removing these costs.
- Myers and Stauffer will include Department letter with the adjustments

Medicare Cost Removal



March 2, 2023

Jennifer Reinheimer
Myers and Stauffer
6312 S. Fiddlers Green Cir. 510N
Greenwood Village, CO 80111

RE: Removal of Medicare Costs from Med-13 Cost Reporting

Ms. Jennifer Reinheimer,

The Department anticipates a statutory and subsequent regulatory change resulting in the removal of ancillary costs (Lab, X-Ray, PT, OT, ST, etc.) other than Medicaid from all nursing facility MED-13 cost reports as non-allowable. As a result, the Department is directing Myers and Stauffer to remove all Medicare, third party insurance, and private pay ancillary costs from MED-13 cost reports setting a 07-01-2024 rate.

The Department will be posting an Operational Memo detailing this adjustment following a finalized bill.

Please keep a copy of this letter in your files for audit purposes. If you have any questions, contact Richard Clark at Richard.Clark@state.co.us or 303-866-6518.

Sincerely,

Richard Clark
Long Term Care Facility Policy Specialist
Department of Health Care Policy and Financing

Provider Fee Supplemental Payments

- Adjustments to PASRR and CPS Payments

BEGINNING JULY 1, 2023, THE STATE DEPARTMENT SHALL ANNUALLY ADJUST THE RATE TO ENSURE ACCESS TO CARE FOR RESIDENTS WHO HAVE SEVERE MENTAL HEALTH CONDITIONS.

BEGINNING JULY 1, 2023, THE STATE DEPARTMENT SHALL ANNUALLY ADJUST THE RATE TO ENSURE ACCESS TO CARE FOR RESIDENTS WITH SEVERE DEMENTIA DISEASES AND RELATED DISABILITIES OR ACQUIRED BRAIN INJURY.

Provider Fee Supplemental Payments

- Proposal to double allotments in SFY 23-24
 - Increasing payments by approx. \$9 million
 - SBS is tied to PASRR and will be impacted
- Funding for Core Component payment still increases with increase to CPS/PASRR payments due to 10% increase in average iC rate

Provider Fee Supplemental Payments

- Increase in P4P to 12% of total supplemental payments in SFY 24-25 (15% in SFY 26-27)
 - Currently equal to ~6.5% of total supplemental payments
- Delayed to SFY 24-25 as current application window is closed
- Additional ~\$9 million starting SFY 24-25

Provider Fee Supplemental Payments

- \$90 million increase in Medicaid reimbursement, of which:
 - \$8 million for CPS, PASRR, SBS starting in SFY 23-24
 - Additional \$9 million for P4P starting in SFY 24-25
- ~20% of new funding attached to these payments

Provider Feedback/ Questions?

Hospital Discharge Payment

- Authorized as part of HB 22-1247
- Total payment equals \$2.4 million
- Payment to nursing homes that accepted discharges from hospitals between 5/1/2022 and 6/30/2022
 - Allowed for a 21 day gap between hospital discharge and nursing home admission
- letters to nursing homes in coming weeks with payment being made by the end of June 2023

Wage Enhancement Payment

- Attestation form emailed Monday 3/13/2023
- Attest that all employees receive \$15/hour wage by 4/30/23
- Attestation form due by 5/5/23
- Payment to be made most likely end of June 2023

- For SFY 2024-25 payment, need to attest all employees receive \$15/hour wage for period 5/1/23 through 12/31/23

SFY 2023-24 Model

- 10% increase in statewide average iC rate, not nursing home specific iC rate
- iC rate still a percent of Core Rate
 - 3% increase = iC rate equal to approx 84% of Core Rate
 - 10% increase = iC rate equal to approx 90% of Core Rate
- iC rate can still decrease with 10% increase in statewide average iC rate

SFY 2023-24 Model

Model Delay - Changes to model require CMS (State Plan) and MSB (State Regulation) approval

- Both can take up to six months to complete
- 7/1/23 iC rates and SFY 23-24 model might not be implemented until after July 2023

SFY 2023-24 Model

- **iC Rates** - Continue to receive 7/1/22 iC rates
 - Retroactively load 7/1/23 rates and mass adjust all previously paid claims back to 7/1/23 after approval
- **Fees / Payments** - 1/12th of SFY 22-23 fees/payments
 - Reconcile to SFY 23-24 fees/payments after approval

SFY 2023-24 Model

- iC Rate Safety Net - limit decreases in iC rate due to PDPM and Medicare cost changes in current/future years
- Similar to lesser-of methodology used in SFY 2019-20
- iC rate is the lesser of:
 - 90% of previous year's iC rate, and
 - Current year's Core rate

SFY 2023-24 Model

Other Reminders

- **PASRR** - PASRR resident included with a '1' response on question A1500 on most recently completed comprehensive MDS assessment during the period 5/2/22 through 5/1/23.
 - Must make necessary changes by 5/15/23
- **CCRC** - Document for CCRC designation to be sent to nursing homes in early April
- **PACE** - Document for PACE days to be sent to PACE providers in early April

Open Comment