



Nursing Facility Provider Fee Advisory Board Meeting Minutes

225 East 16th Avenue, Conference Room 6 A/B

March 20, 2015

1. Call to Order

Matt Haynes called the meeting to order at 10:05 a.m.

2. Roll Call

There were sufficient members for a quorum.

A. Members Present

Lonnie Hilzer, Dan Stenerson, Greg Traxler, Janet Snipes

B. Members on the Phone

Arlene Miles, Cindy Bunting, Paul Landry

C. Members Excused

Lori Nelson, Chris Stenger, John Brammeier

D. Staff Present

Matt Haynes, Jeff Witreich, Kevin Berg, Cynthia Miley

3. Approval of Minutes

The minutes from the January 27, 2015 meeting were approved with changes.

4. RUG Analysis by Meyers and Stauffer

- Medicaid acuity ratios is what is applied to direct health care costs in order to calculate reimbursement rate
- Medicaid benefits is misleading as to how high it calculates
- Even if everyone's CMI dropped what is important is the ratio of Medicaid clients to non-Medicaid clients
- RUG IV grouper was most comprehensive time study CMS has ever done
- Periodically CMS does time studies to evaluate what the current practices are
- Results are studies that represent much more current clinical practice
- Final report submitted to CMS in 2008 also included outliers
- The MDS and RUG IV grouper were developed to work together



- At time no studies done on RUG III grouper, so CMS created a crosswalk
- RUG IV grouper added items not in the RUG III grouper
- Tells us that you can have drastic swings on a resident specific level and maybe not so drastic swings on a facilities rate impact but it doesn't tell us how a rate is actually impacted
- In order to calculate a fiscal impact need data for all facilities for at least 6 quarters
- **Dan Stenerson**-The numbers on their face appear that the switch could be beneficial to the providers
- **Janet Snipes**-Agree with that statement, we picked these facilities to try to get different facilities and compare the behavior so no one class of provider is being left behind
- CMI is coming down for everyone because it's a new measured system
- **Janet Snipes**-Part of the exercise was to make sure we are paying for the Medicaid patient and not the Medicare patient. Going forward we want to make sure moving forward that we are paying for Medicaid services and not just paying money to those facilities with a higher Medicaid population
- Are Medicare patients driving the CMI
- The point in time system is so extremely predictable
- When consider time dated methodology it lifts all assessments that were active within the entire quarter and each assessment plays a part
- 57 grouper in RUGIV looks just like 66 grouper just eliminates categories that are rarely used by Medicaid
- Medicaid population that RUG in rehab categories is 11.5%
- Trend across country is that a good portion of rehab assessments are Part B

5. CCRC Discussion

- The definition to be considered exempt from paying the provider fee a facility must be operated as a continuing care retirement community that provides a continuum of services by one operational entity providing independent living services, assisted living services, and skilled nursing on a single continuous campus. The assisted living services would include assisting live in residents as defined in statute or those that provide assisted living services on site 24 hours a day 7 days a week
- Of the facilities that are currently CCRCs only one fell below 20% AL to IL total threshold
- Most facilities that have the AL to SNF are above the 20% threshold
- **Dan Stenerson**-Really looking at two classifications SNF and a combination of AI and IL
- If there is some threshold of business in terms of a continuing care retirement community that's not skilled nursing that is something we can see by looking at the data
- Statute does not say facilities that have all types of care three are exempt from the provider fee, it says if a facility is operating as a CCRC on one continuous campus as one operational entity



- We have seen facilities that are marketed as CCRC that don't have independent living
- When the data was pulled we did notice one facility no longer has AL
- Would like to have facilities attest to this yearly and apply for the exemption
- When looked at data all facilities that were in and had level of services everyone except one at or above 20%
- Now we have one facilities that says they no longer have AL
- There needs to be some expectation from the client and the provider that there will be some continuum of care
- 32 CCRCs that are above 46 beds
- 3 facilities that are CCRC but don't have IL
- Of 17 facilities that list themselves as CCRC 15 were promoting themselves as CCRC on their website, 2 promoting themselves as AL & SNF on their website
- Of the 12 facilities that did not listing themselves as CCRC 2 were promoting themselves as CCRC on their website and 2 that were promoting as AL and SNF only
- **Arlene Miles**-know conceptually where we want to be. Looked up average units in CCRC, in the U.S.300 units average, 79 nursing, 30 AL and rest IL. CCRCs seem to be focused more on IL
- Operating as a continuing care retirement community has to mean something. By making that statement there should be some expectation between the client and the provider that there is some continuum of care
- **Dan Stenerson**-the things that will be very difficult are the expectations/commitments that the provider will take care of them however their needs need to be met. Most CCRC campus will have a distinct identity between them that overlap
- **Arlene Miles**- Seems like all the definitions tie into those three different models. Seems like there is some kind of a contract that has granted that person certain assurances. Maybe we need to look at a continuing care retirement community has to be structured so that it offers one of those three options.
- **Dan Stenerson**-Type A CCRC people give a lot of money, in return they are not going to get a return on investment but in exchange for that we will take care of you for the rest of your life. There is a modified piece, the client may get a partial refund of whatever is not consumed then there is a fee for service type
- **Janet Snipes**-if put in their contract they have a legal obligation. More valuable to have it in their contract
- **Arlene Miles**-We have some responsibility to create parameters so that we minimize those people who might game the system for the purpose of not paying the fee. The more people you exempt out the less money you are bringing in. We need to make sure this program keeps integrity and has a consistent cash flow in
- At very least suggest putting something on the provider that they need to supply something to the Department to prove they are operating as a CCRC and then qualify for the exemption



- Currently have a process problem that is separate from the gaming problem
- Can start with some reporting

6. NVC

- Has come to my attention that there has been payment issues with NVC and has caused them to halt their assessments as a result they have been forced to cease their work on the appraisals until it is resolved. There could be delays in getting the appraisal as a result of this
- One option in getting the results out in a timely fashion would be to cut out processes
- Other option to go interim and wait until the processes could be completed and once the process is finalized we can finalize the model
- **Paul Landry**-There can be no informal consideration on these appraisal issues until NVC gets paid
- **Janet Snipes**-Could say that after FRV gets paid start the 30 days appeal process, still allows the providers the informal consideration process
- If we preserve the process it could cause additional delay in modeling
 - Could go interim and pay at the levels we are paying at now
 - More mass adjustments
 - Establish a 7-1-15 rate by using appraisals already in place and inflate them for another year. The MMIS rate will be established off of that
- **Lonnie Hilzer**-Set a timeframe, need to have everything finalized by a certain date and then back it up 30 days to have all appraisals completed that date. If completed we can move forward if not completed go ahead and inflate for another year

7. Public Comment

There was no public comment

8. Action Items

There were no action items

9. The meeting was adjourned at 12:08 p.m.

The next scheduled meeting is at 10:00 a.m. on Friday, April 17, 2015 at 225 East 16th Avenue, Denver, CO in conference room 6 A/B.

Reasonable accommodations will be provided upon request for persons with disabilities. Please notify the Matt Haynes at 303-866-3698 or matt.haynes@state.co.us or the 504/ADA Coordinator hcpf504ada@state.co.us at least one week prior to the meeting.

