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Looking Ahead – Missouri Medicaid Reimbursement, What's Next?

August 29, 2023

Disclaimer: This presentation is based on available information as of August 29, 2023

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Meet the Presenters

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Questions FORVIS Will Answer Today:

- What components make up your Medicaid rate?
- What are you doing (or NOT doing) to impact your Medicaid rate?
- Did your Medicaid rate change for 1/1/2023? Why?
- How to apply a disciplined approach in current assessments?
- What can be done by September 30 to impact your 1/1/24 rate?
- How might October 1, 2023 changes impact staff and Medicaid rate?
- Questions?

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What Makes Up Your Medicaid Rate?

Basic Components of Medicaid Per Diem Prospective Rate:

- Cost Components
  - Patient Care **CMI Adjusted**
  - Ancillary
  - Administration
  - Capital - Fair Rental Value "FRV"
- Incentives
  - Patient Care Incentive
  - Multiple Component
- Add On:
  - Value Based Purchasing (VBP)
  - Mental-Illness
  - NFRA Bed Tax

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Other Considerations

- Minimum Occupancy
  - Administration and Capital components subject to 80% minimum occupancy, based on licensed bed capacity
- Rate Setting
  - Initial rate based on 2nd full 12-month cost reporting period
  - Facility continues to receive initial rate with no changes other than subsequent statewide trend factor increases, etc. applicable to all NFs in the state
- Rebasing
  - New plan rebased from 2019 cost reports
  - When is the next one?

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Medicaid Cost Report Implications to Consider

- Medicaid rate based on “allowable” costs - certain costs/revenues offset:
  - Penalties/Income taxes/Donations
  - Related party costs
  - Owners’ compensation above prescribed limit
  - All prescriptions drugs are offset – consider expenses coded there
  - Medical equipment grouped with capital component
  - Certain revenues received are required to be offset against allowable costs
    - Ex. Room reserve
- Allowed one vehicle for every 60 beds
- Pass-thru property taxes and property insurance

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Questions to Ask Yourself

- Did your Medicaid rate change for 1/1/2023? Why?
- Did you apply a discipline approach in current assessments?
- What can be done by September 30 to impact your 1/1/24 rate?

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Clinical Considerations

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7 Major RUG Classifications for Medicaid

- Extensive Services: Case Mix values 2.22 – 3.0
- Rehabilitation: Case Mix values 0.82 – 1.65
- Special Care High: Case Mix values 1.22 – 1.88
- Special Care Low: Case Mix values 0.95 – 1.61
- Clinically Complex: Case Mix values 0.65 – 1.39
- Behavioral Symptoms & Cognitive Performance: Case Mix values 0.53 – 0.81
- Reduced Physical Function: Case Mix values 0.45 – 1.25

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Value Based Purchasing Incentive

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Missouri Medicaid VBP Incentive

QM Performance	Threshold	Per Diem Adjustment
Decline in Late-Loss ADLs	10.0%	$1.00
Decline in Mobility on Unit	8.0%	$1.00
High-Risk Residents w/ Pressure Ulcers	2.7%	$1.00
Anti-psychotic Medications	6.8%	$1.00
Falls w/ Major Injury	1.3%	$1.00
In-dwelling Catheter	1.1%	$1.00
Urinary Tract Infection	1.9%	$1.00

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Missouri VBP Incentive

A VBP percentage is applied to the per diem adjustment for each facility that qualifies for the VBP incentive. The VBP percentage will be determined by the total QM score calculated from the Five Star Rating System scores for each of the long-stay QMs.

QM Scoring Tier	Minimum Score	VBP Percentage
1	600	100%
2	520	75%
3	440	50%
4	360	25%
5	0	0%0

Table A3 of the Five Star Quality Rating System: Technical User's Guide dated January 2017.

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VBP Add-on Per Diem Rate	$1.50
QM Scoring Tier	3
	Date
Current Date	2/21/2023
Year	2022
For Rate	1-Jul
Measure Period	2020Q3-2021Q2

Long Stay QMs	Four Q Average	QM Points
Decline in Late-Loss ADLs	8.741255	100
Decline in Mobility on Unit	7.357934	100
High-Risk Residents w/ Pressure Ulcers	11.904763	20
Anti-psychotic Medications	58.895705	20
Falls w/Major Injury	5.000002	40
In-dwelling Catheter	1.075096	80
Urinary Tract Infection	7.894736	20
Restraint	0.333333	60
Total Long Stay Points		440

VBP Percentage	50%

QM Performance Per Diem	$3.00
Decline in Late-Loss ADLs	$1.00
Decline in Mobility on Unit	$1.00
High-Risk Residents w/ Pressure Ulcers	
Anti-psychotic Medications	
Falls w/Major Injury	
In-dwelling Catheter	$1.00
Urinary Tract Infection	

QM Scoring Tier	Minimum Score	VBP Percentage
1	600	100%
2	520	75%
3	440	50%
4	360	25%
5	0	0%

QM Performance	Threshold	Per Diem Adjustment
Decline in Late-Loss ADLs	10	$1.00
Decline in Mobility on Unit	8	$1.00
High-Risk Residents w/ Pressure Ulcer	2.7	$1.00
Anti-psychotic Medications	6.8	$1.00
Falls w/Major Injury	1.3	$1.00
In-dwelling Catheter	1.1	$1.00
Urinary Tract Infection	1.9	$1.00

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VBP Incentive Updates

Semi-annual updates:

- The VBP will be re-calculated effective for dates of service beginning January 1 and July 1 of each year
- The QM performance data will be updated based on the most current data available as of:
  - November 15th for the January 1 rate adjustment
  - May 15th for the July 1 rate adjustment

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Mental Illness Diagnosis Add-On

- If at least 40% of a facility's Medicaid population have the following mental illness diagnosis, the facility shall receive a per diem adjustment of five dollars ($5.00)
  - Schizophrenia: MDS item I6000
  - Bi-polar: MDS item I5900
- Re-evaluated semi-annually using data available as of:
  - November 15th for January 1 rate adjustment
  - May 15th for July 1 rate adjustment

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Missouri Resident Listing Review

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Review Resident Listings

- Do not miss this opportunity each quarter!
- Make it a routine practice in your operations to review for accuracy
- Inaccuracies of CMI calculations will impact your Medicaid rate every 6 months
- 1/1/23 rates released last week – SNFs learned how much the CMI can impact the rates

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Resident Listings for Missouri Medicaid CMI

- Registered portal users will be notified by the Missouri Department of Social Services when the Resident Listings are posted for their facility
  - https://mocostreports.mslc.com *Select NF_MDS Only
- The roster will be accompanied by a message explaining the review process and timeline for corrections
- This is an internal review by providers to verify the accuracy of the Medicaid case mix average that will impact the patient care component

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MDS 3.0 Version 1.18.11

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MDS 3.0 Version 1.18.11 Effective October 1, 2023:

- Everyone should have downloaded the Resident Assessment Instrument (RAI) Manual
  - 1600 pages with numerous updates and additions
  - Structural data element redesign
  - Manual text updates
  - Alignment of data elements and guidance across the post-acute care (PAC) settings

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Thoughts on MDS 3.0 Changes

- The option for the Optional State Assessment (OSA) removed from Section A0310 (type of assessment)
  - The OSA will be available for those states that requested access to the assessment through 2025 as states begin or continue transitioning to other payment models.
  - The OSA cannot be combined with any other type of assessment
  - Without the OSA providers will not be able to calculate a RUG category for Medicaid case mix

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Standardized Patient Assessment Data Elements: SPADES

- The Improving Medicare Post-Acute Care Transformation Act of 2014 (IMPACT Act) required CMS to develop, implement, and maintain SPADEs for PAC settings:
  - Home Health Agencies
  - Inpatient rehabilitation facilities
  - LTAC hospitals
  - Skilled nursing facilities

GOAL: Facilitate care coordination and interoperability and to improve Medicare beneficiary outcomes

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SPADEs

Data Elements

- Ethnicity
- Race
- Language
- Transportation - Has lack of transportation kept you from medical appointments, meetings, work, or from getting things needed for daily living?
- Health Literacy - How often do you need to have someone help you when you read instructions, pamphlets, or other written material from your doctor or pharmacy?
- Social Isolation- How often do you feel lonely/isolated from those around you?

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Medication List to Subsequent Provider

- At the time of discharge to another provider, did your facility provide the current reconciled medication list to the subsequent provider?
- Indicate the route(s) of transmission of the current reconciled medication list to the subsequent provider.
- At the time of discharge, did your facility provide the current reconciled medication list to the resident, family and/or caregiver?
- Indicate the route(s) of transmission of the current reconciled medication list to the resident/family/caregiver.

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PHQ 2-9

- This is a significant change that could impact Medicare and Medicaid reimbursement
- The first 2 questions will serve as the trigger or gateway to determine whether the assessor should complete the remaining 7 questions
- Without either doing the full interview or completing the staff assessment there is no chance to obtain a Total Severity Score of 10 or higher

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Section GG

- Section GG will expand to all OBRA assessments October 1, 2023
- This is going to disrupt long-standing practices and policies that providers developed to capture episode level of care information from nursing employees on specific activities of daily living
- Facility leadership must consider what method they will use to collect Section GG functional ability information, develop a plan to educate staff and be ready for October 1, 2023

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Sections M and N

- Section M: Skin changes at end of life (SCALE), also referred to as Kennedy Terminal Ulcers (KTUs) and skin failure, are not primarily caused by pressure and are not coded in Section M
- Section N: High-Risk Drug classes does not impact payment but it does affect a SNF's ability to meet the annual MDS reporting threshold
  - Additional medication classes to capture
  - New indication noted column

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Section O

- Special Treatments, Procedures, and Programs
  - On admission: Days 1-3 of the SNF PPS stay
  - While a resident: Performed within the last 14 days after admission
  - At discharge: Assessment period is the last 3 days of the SNF PPS stay

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Section Q: Active Discharge Plan

- Active Discharge Planning:
  - An active discharge plan means a plan that is currently being implemented. Care plans should have current goals to make specific arrangements for discharge and show that staff are taking active steps to accomplish discharge, and that there is a target discharge date for the near future

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PPS Discharges:

- Expanded from 13 pages to 23 pages
  - Resident interviews are required on standalone End of PPS
  - CMS adds a mandate that may cause confusion to PPS/OBRA Discharge combinations:
  - Currently you can combine these assessments when the PPS discharge and OBRA discharge are the same day or one day before
  - The language now indicates these assessments MUST be combined

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Medicaid PDPM Design and Transition:

What Can It Look Like?

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How Does 10/1/2023 Changes Impact MO Medicaid Rates?

- States that wish to continue to use RUGs after Oct. 1, 2023, need to implement Optional State Assessments (OSAs) to gather the needed assessment data which will allow the states to calculate a RUGs payment amount for the services provide to all Medicaid beneficiaries.

  This will allow for a RUGs-based case mix score to be calculated and the current RUG-based reimbursement methodology to continue beyond Oct. 1, 2023.

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Transition Options Will End…

October 1, 2025 - CMS replaces RUG-IV with PDPM

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PDPM Transition

Missouri is Not Alone:

- Over 80% of the US states have implemented an acuity-based plan
- Over 80% of them use RUGS IV as basis for MDS CMI score
- Following states changed to a version of PDPM 7/1/23:
  - Colorado, Illinois, Iowa, Nebraska, Utah, Wisconsin, South Dakota and Tennessee

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So Many Questions?

- What is the timeline?
- Do we transition and allow for a phase-in or a single conversion date?
- What does it look like if we do not opt-in for the OSA?
- What PDPM elements could be used?
  - Nursing
  - Speech
  - NTA

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National SNF 5-Claim Probe and Educate Reviews

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CMS Mandated Pre-Payment Review of 5 Claims Per Provider

- Started June 5, 2023, and began with the top 20% of providers who pose the greatest risk for improper payments
- May exclude low volume providers (less than 5 Medicare claims per year) and those providers already under a medical review
- Pre-payment means that the claims will be chosen as they are submitted for payment. Providers will know in the MAC portal when a claim is moved to the SB6000 and SB6001 status

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What Providers Should Expect:

- A phone call from the MAC to the provider to establish a point of contact
- Letter via portal, mail or email to the address in the PECOS system. If in the MAC portal providers should monitor for the letter following the phone call that established the point of contact.
- Probe number should be provided on the letter

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What To Do After You Receive the "Letter"

- Gather the documentation according to instructions on the MAC website
- Arrange the documentation from the earliest date to the most recent date. Use divider sheets as needed if submitting paper documentation
- MACs encourage submission of documentation through their portal but will also accept hard copies, DVDs, CDs and encrypted flash drives

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Medicare FY 2024 Final Rule for SNFs

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Medicare FY 2024 Final Rule for SNFs

- CMS Published FY 2024 Final Rule for SNFs in July 2023
  - CMS predicts a total increase of $1.4 billion (or 4%) in Medicare payments
  - SNF Quality Reporting Program (QRP) Changes
    - Modified FY 2025 – COVID-19 Vaccination Coverage among Healthcare Personnel (HCP)
    - Additional FY 2025 – Discharge Function Score and COVID-19 Vaccine: Percent of Patients Who Are Up to Date
  - Civil Monetary Penalty (CMP) Appeals

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Medicare FY 2024 Final Rule for SNFs

- **Value Based Purchasing:** Four new quality measures will be implemented in FY 2026–FY 2027 with one additional measure replaced in FY 2028
  - FY 2026: **The Nursing Staff Turnover** measure currently used the Five-Star Staffing rating also will be incorporated into the VBP program. Reporting of Payroll-Based Journal (PBJ) data for this measure begins in FY 2024, impacting payments in FY 2026.
  - FY 2027: **Discharge Function Score.** This SNF QRP measure also is being added to the VBP program.
  - FY 2027: **Long-Stay Hospitalization per 1000 Resident Days measuring the hospitalization rate of long-stay residents.**
  - FY 2027: **Percent of Residents Experiencing One or More Falls with Major Injury.**
  - FY 2028: **Skilled Nursing Facility Within-Stay Potentially Preventable Readmissions** (SNF WS PPR) is the SNF 30-Day All-Cause Readmission Measure (SNFRM).

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Questions?

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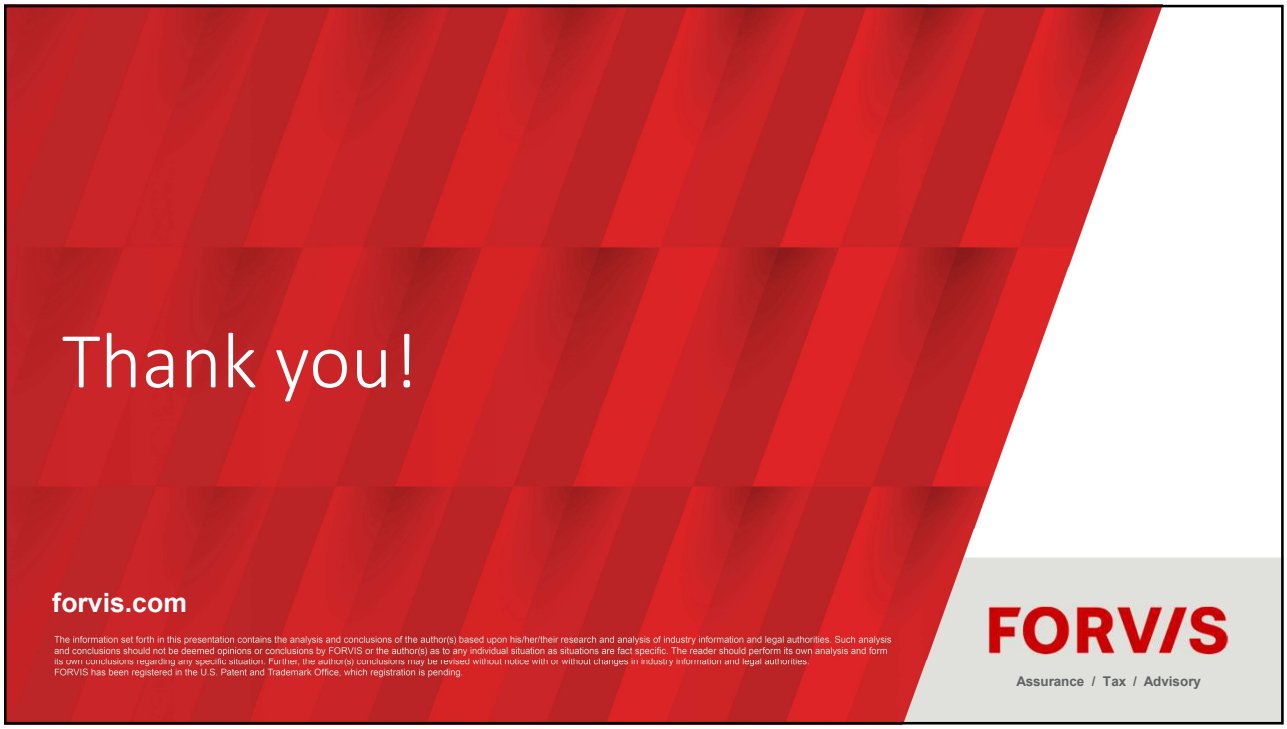
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