

PUBLIC NOTICE

Pursuant to 42 C.F.R. § 447.205, the Georgia Department of Community Health, Division of Medical Assistance, is required to give public notice of any significant proposed change in its methods and standards for setting payment rates for services.

NURSING HOME SERVICES

Part I – Fair Rental Value

Effective for services provided on or after July 1, 2009 and subject to payment at fee for service rates, the Department is proposing to modify the payment for nursing facility property costs by adopting a fair rental value (FRV) methodology.

The Department may adjust one or more the following variables of the FRV methodology to remain within annual appropriations for FRV payments and to obtain federal approval.

<u>FRV Variables</u>
Base Year For Aging Purposes
Cost per Square Foot from <u>RSMeans</u>
Construction Cost Index
Location Factor
Square Feet per Bed
Land Allowance (Percentage of Replacement Value)
Equipment Allowance per Bed
Equipment Cost Index
Depreciation Rate
Maximum Age to Apply Depreciation
Rental Rate
Minimum Bed Day Occupancy
Depreciation Rate Used in Determining Initial Age
Per Bed Threshold for the Value of a Qualifying Renovation Project
of Projects to meet the Per Bed Threshold

The FRV methodology will generally consider historic bed replacements and additions as well as renovations in calculating initial provider-specific FRV rates. Consideration of renovations, bed replacements, and/or bed additions completed after July 1, 2009 on the provider-specific FRV will be done only upon request by the provider. The Department will only consider the value of bed replacements and renovations that can be validated with sufficient documentation as determined by the Department.

For purposes of FRV calculations, a renovation project must meet the criteria for an allowable capital expenditure, which includes, but may not be limited to, the costs of

buildings, machinery, fixtures, and fixed equipment. Capital expenditures are asset acquisitions that meet the criteria of §108.1 of the Provider Reimbursement Manual (CMS-Pub. 15-1) or are betterments or improvements which materially (a) expand the capacity, (b) reduce the operating and maintenance costs, (c) significantly improve safety or (d) promote energy conservation.

The purpose of this change is to more accurately match payments to the fair market value of nursing facility property. These changes are estimated to increase FY 2010 expenditures by no more than \$27,799,840 (\$7,000,000 in State funds) to support the FRV program.

Part II – Quality Incentive Fees

Effective for services provided on or after July 1, 2009 and subject to payment at fee for service rates, the Department is proposing to award additional incentive fees paid to nursing home providers who meet specific criteria for quality measures as determined by the Department. Please refer to Table 2 for the program parameters. The current 1% incentive for Nurse Staff Hours/Participation in Quality Initiative will continue in addition to these Quality Initiative add-ons.

TABLE 2	
SYSTEM FOR CALCULATING INCENTIVE PAYMENTS	<p>Data sets to be used in the calculation for incentive payments (4 non clinical, 6 clinical):</p> <p>4 Non Clinical Measures:</p> <ul style="list-style-type: none"> • Most Current Family Satisfaction Survey Score for “Would you recommend this facility?” Percentage of responses either “excellent” or “good” to meet or exceed the state average of 85% combined (participation required to be eligible for the incentive). Point Value 1 • Participation in the Employee Satisfaction Survey. Point Value 1 • Quarterly average for RNs/LVNs/LPNs Stability (retention). Point Value 1 • Quarterly average for CNAs /NA Stability (retention). Point Value 1 <p>6 Clinical Measures:</p> <ul style="list-style-type: none"> • Percent of High Risk Long-Stay Residents Who Have Pressure Sores. Point Value 1 • Percent of Long-Stay Residents Who Were Physically Restrained. Point Value 1 • Percent of Long-Stay Residents Who have Moderate to Severe Pain. Point Value 1

	<ul style="list-style-type: none"> • Percent of Short-Stay Residents Who had Moderate to Severe Pain. Point Value 1 • Percent of Residents Who Received Influenza Vaccine. Point Value 1 • Percent of Low Risk Long – Stay Residents Who Have Pressure Sores. Point Value 1
<p>SCORING METHODOLOGY</p>	<p>A facility is listed as eligible for an award based on the following:</p> <p>To receive a 1% add-on to the routine service component of the facility’s per diem, the facility must meet the following criteria: A minimum of three (3) points is required for the incentive. At least one from the clinical and one from the non clinical and a third point from either clinical or non clinical. The threshold for each indicator will be exceeding the state average.</p> <p>To receive a 2% add-on to the routine service component of the facility’s per diem, the facility must meet the following criteria: A minimum of six (6) points is required for the incentive. At least three from clinical and one from the non-clinical and the remaining two points from either clinical or non clinical. The threshold for each indicator will be exceeding the state average.</p> <p>Clinical:</p> <ul style="list-style-type: none"> • Facilities that do not generate enough data to report on the CMS website (due to not meeting the minimum number of assessments for a reporting in a quarter) will use predetermined values from the MIV Quality Profile. The values used from MIV Quality Profile will be compared to MIV Georgia average values for those metrics. • Facilities not having met minimum assessment threshold to generate QM will have the following MIV data substituted for the designated QM. <ul style="list-style-type: none"> Chronic Care Pain – Residents without unplanned weight loss / gain PAC Pain – Residents without antipsychotic medication use High Risk Pressure Ulcer – Residents without acquired pressure ulcers. Physical Restraints – Residents without acquired restraints Vaccination: Flu – Residents without falls Low Risk Pressure Ulcer – Residents without acquired

	<p>catheters</p> <p>Non Clinical:</p> <ul style="list-style-type: none">• For the Family Satisfaction, exceeding the threshold yields one point.• For the Employee Satisfaction Survey criteria, a point is awarded for participation, not reaching a threshold.• One point is awarded for exceeding the threshold of either staff stability criteria. The total points awarded based on staff stability metrics will not exceed one.
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The purpose of this change is to create additional incentives to support quality of care improvements in nursing facilities. FY 2010 expenditures are estimated to increase by approximately \$7,120,731 (\$1,793,000 in State funds) for the Quality Incentive Program.

These changes are contingent on approval of available federal financial participation by the Centers for Medicare and Medicaid Services. .

This public notice is available for review at each county Department of Family and Children Services. An opportunity for public comment will be held on **May 26, 2009**, 1 p.m., at the Department of Community Health (2 Peachtree Street, N.W., Atlanta, Georgia 30303) in the 5th Floor Board Room. Individuals who are disabled and need assistance to participate during this meeting should call (404) 656-4479. Citizens wishing to comment in writing on any of the proposed changes should do so on or before **June 4, 2009**, to the Board of Community Health, Post Office Box 1966, Atlanta, Georgia 30303.

Comments submitted will be available for review by the public at the Department of Community Health, Monday – Friday, 9:00 a.m. to 4:30 p.m., in Room 4074, 2 Peachtree Street, N.W., Atlanta, Georgia 30303.

Comments from written and public testimony will be provided to the Board of Community Health prior to the **June 11, 2009** Board meeting. The Board will vote on the proposed changes at the June 11, 2009 Board meeting to be held at 10:30 a.m. at the Department of Community Health (2 Peachtree Street, N.W., Atlanta, Georgia 30303) in the 5th Floor Board Room.

NOTICE IS HEREBY GIVEN THIS 14th DAY OF MAY, 2009

Rhonda M. Medows, M.D., Commissioner