

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

Effective for services provided on or after July 1, 2008 and subject to payment at fee for service rates, the Department is proposing to modify the payment for nursing facility services as follows:

- The nursing facility's property rate component will be reimbursed based on a fair rental value (FRV) methodology. Values used for each variable in Table 1 may be adjusted to promote and recognize the impact of renovations, replacements and additions or to obtain federal approval.

TABLE 1	
<u>FRV Characteristics / Variables</u>	<u>Proposed</u>
Base Year For Aging Purposes	2008
Cost per Square Foot from <u>RSMMeans</u> (annually updated July 1)	\$141.25
Construction Cost Index	1.0000
Location Factor	ZIP Code-based
Minimum Square Feet per Bed	350
Maximum Square Feet per Bed	700
Land Allowance (Percentage of Replacement Value)	15.0%
Equipment Allowance per Bed	\$5,000
Equipment Cost Index	1.0000
Depreciation Rate if FRVS Age is ≥ 32.5 Years	2.00%
Depreciation Rate if FRVS Age is ≥ 25.0 and < 32.5 Years	1.90%
Depreciation Rate if FRVS Age is ≥ 17.5 and < 25.0 Years	1.75%
Depreciation Rate if FRVS Age is ≥ 10.0 and < 17.5 Years	1.50%
Depreciation Rate if FRVS Age is < 10.0 Years	1.00%
Maximum Age to Apply Depreciation	32.5
Rental Rate	9.00%
Minimum Bed Day Occupancy	80.00%
Depreciation Rate Used in Determining Initial Age	2.0%

The Department will consider all bed replacements and additions in calculating initial provider-specific FRV rates. The Department will consider the value of facility-reported renovations that can be validated with sufficient documentation as determined by the Department. The Department will apply the impact of renovations, bed replacements, and/or bed additions completed after July 1, 2008 on the provider-specific FRV upon request. The Department may adjust the construction cost index to a value less than one if necessary to remain within available appropriations for FRV payments.

For purposes of FRV calculations, renovations are defined as follows:

A Renovation Project shall mean a capital expenditure or series of capital expenditures that exceed \$500 per licensed bed over a 12 month period. The 12 month time period may be exceeded for a project where the construction period for a bed addition, replacement, or renovation reasonably requires a longer time frame. Up to five unrelated Renovation Projects may be aggregated for purposes of meeting the \$500 threshold. Allowable capital expenditures include the costs of land, building, machinery, fixtures, furniture and 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 meet the criteria of §108.2 of the Provider Reimbursement Manual (CMS-Pub. 15-1) or which materially (a) expand the capacity, (b) reduce the operating and maintenance costs, (c) significantly improve safety or (d) promote energy conservation.

- The 2007 cost report, using the reporting format and underlying instructions established by the Department, will be used to determine a facility’s allowable cost that will be the basis for computing a rate.
- The incentive fees paid to providers who meet specific criteria for quality measures as determined by the Department will be based on the program parameters in Table 2. The 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

	<ul style="list-style-type: none"> • 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 • 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 catheters Non Clinical: <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 these changes is to more accurately match payments to the level of services being provided. These changes are estimated to increase annual expenditures by approximately \$56,009,915 (\$19,443,154 in state funds). These changes are contingent on approval of available federal financial participation by the Centers for Medicare and Medicaid Services. A summary of proposed rates may be obtained by written request to the Department of Community Health, 2 Peachtree Street, N.W., Atlanta, Georgia 30303.

This public notice is available for review at each county Department of Family and Children Services office. An opportunity for public comment will be held on **June 23, 2008**, at 1 p.m., at the Department of Community Health, 2 Peachtree Street, N.W., 5th Floor Board Room, Atlanta, Georgia 30303. 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 27, 2008**, to the Board of Community Health, Post Office Box 38406, Atlanta, Georgia 30334.

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 will be summarized and provided to the Board of Community Health prior to the **July 10, 2008** Board meeting. The Board will vote on the proposed changes after comments have been received. The July Board meeting will 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 12th DAY OF JUNE, 2008
Rhonda M. Medows, M.D., Commissioner