LeadingAge Illinois

Medicaid Rates Forum

And Maybe a Little Bit More..☺

WERNERCONSULTING
Health Care Finance & Policy Expertise

MOMENTUM

2023 ANNUAL MEETING & EXPO

Renaissance Schaumburg
Convention Center - Schaumburg, IL

Who I Am – Medicaid Consultant / Geek

- Medicaid consultant for LeadingAge IL since 2010.
  - Started with the fight around the bed tax & making Medicaid recognize quality over quantity.
- HFS 1994 – 2007 rate setting, Data analytics, state & federal policy analysis, program design & evaluation.
- The final NH rate redesign has most of the key parts from the plan I originally designed 6 years ago and improved since them most importantly reimbursement linked to reimbursement.
- Hospitals, community mental health providers, supportive living, ICF/DD, & MCDD.
- Freedom of Information Act (FOIA) guru

Today's Plan of Attack

First – Please don't be shy. Ask questions as we go. I'll let you know if I will delay answering for a latter point in the presentation.

- Overview of the Redesign Medicaid Nursing Home Rate
- Funding – Redesigned Provider Tax
- Rate components – what was done and how is implementation going
  - RUG to PDPM transition
  - Staffing Incentive
  - Quality
  - Optional CNA tenure &promotion funding
- DPH Staffing Penalties – Don't let your guard down!


THE
30,000 Ft
VIEW

Short Recap of Redesign

Overview of Changes

PER DIEM RATE		
Support & Capital	No Change	
Alzheimer / Dementia		
TBI		
SMI		
	Previous	**As of July 1, 2022**
Base Rate	85.25	92.25
Wage Adjuster	Regional 1.0 - 1.6	Statewide 1.06
Move to PDPM Nursing Case mix from RUG-IV		
Staffing Add-on	Flat $4.55	Scale based on % staffing based on residents needs. Range $9 to $38.68
Medicaid Access for 70% plus Medicaid volume	None	$4 multiplied by PDPM case mix

OTHER REIMBURSEMENT		
Quality Program	None	Initially $70 million
Optional CNA Tenure & Promotion Wage Scales	None	$80 million
CNA training reimbursement	Existing program not financed at specific mount	$5 million

The NF rate reform initiative increases Medicaid resources for NFs by approximately $700 million and a net benefit impact of $500 million.

In addition to federal Medicaid matching funds the reform is funded by approximately $140 million in state funding and a $203 million increase from the NF provider tax.

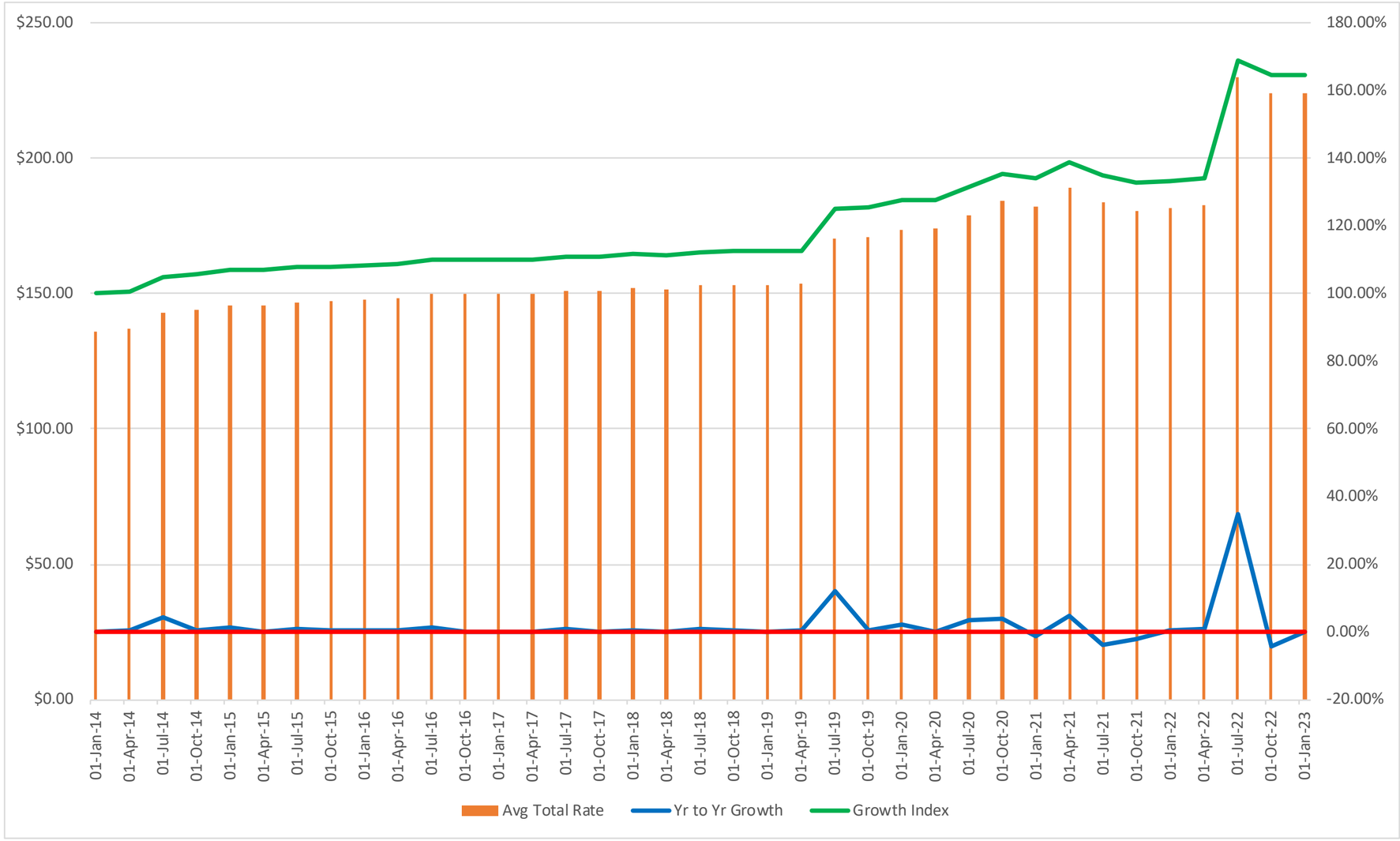
Most of the new funding is tied to improved staffing and resident outcomes plus added transparency and accountability.

High Level View of NH Rate Changes

The rate redesign of July 1, 2022, was the single largest increase of NH rates, almost 35%.

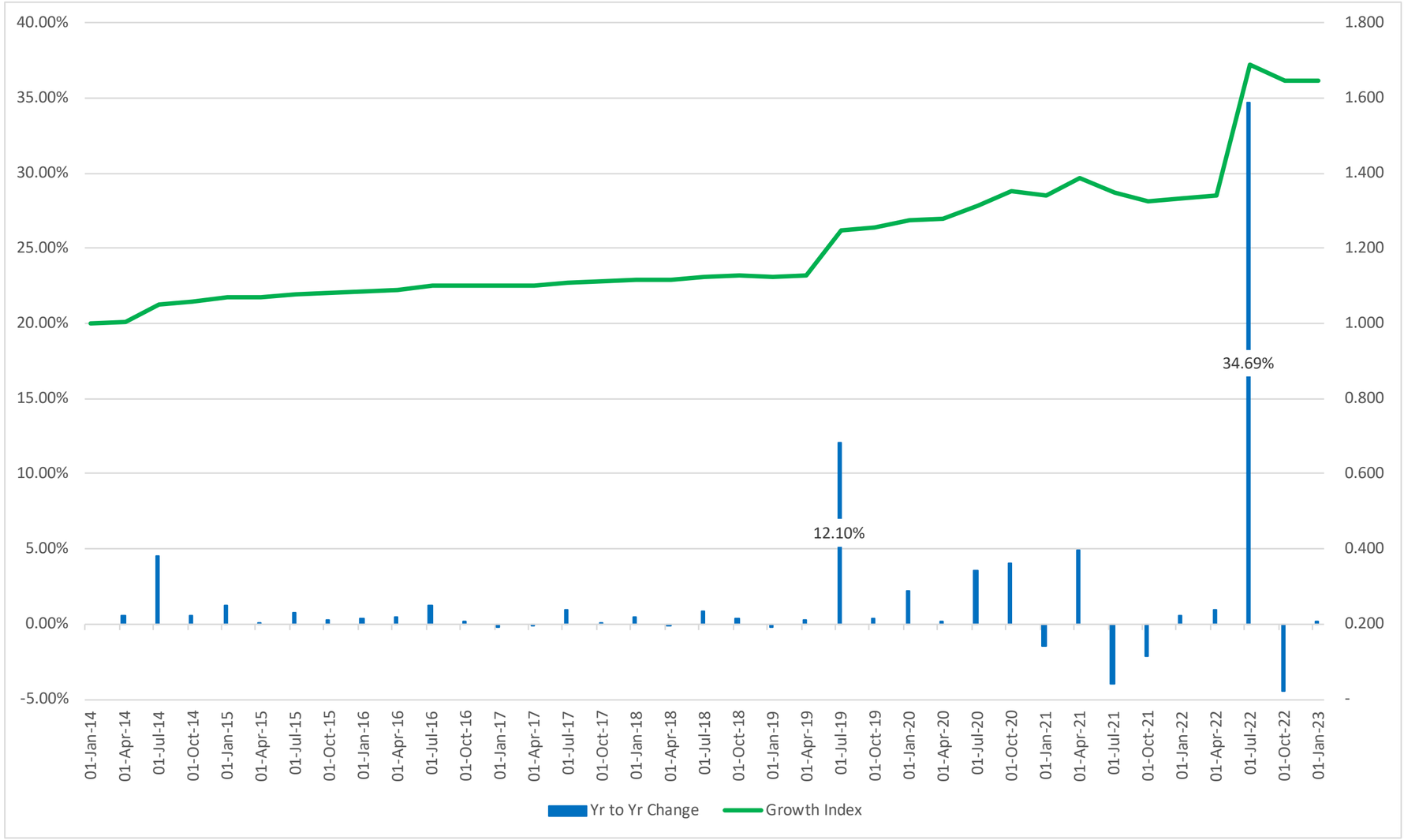
Most of this tied to quality via staffing incentive.

These rates don't count the quality pool.



High Level View of NH Rate Changes

The average nursing home rate is almost 70% higher than the average rate when RUG-IV was implemented in January 2014.



Billing Medicaid FFS or MCOs

DO NOT BILL MEDICAID AT AN AMOUNT GREATER THAN OTHER PAYERS!

Specifically, 89 IL. Admin Code 140.12(h) says that the provider agrees to:

h) Make charges for the provision of services and supplies to recipients in amounts not to exceed the provider's usual and customary charges and in the same quality and mode of delivery as are provided to the general public;

Which is derived from language in US law / federal regulations…

United State Code 42 USC §1320a–7b(6)(A).

42 USC §1320a–7. Exclusion of certain individuals and entities from participation in Medicare and State health care programs

(b) Permissive exclusion

The Secretary may exclude the following individuals and entities from participation in any Federal health care program (as defined in section 1320a–7b(f) of this title):

(6) Claims for excessive charges or unnecessary services and failure of certain organizations to furnish medically necessary services

Any individual or entity that the Secretary determines-

(A) has submitted or caused to be submitted bills or requests for payment (where such bills or requests are based on charges or cost) under subchapter XVIII or a State health care program containing charges (or, in applicable cases, requests for payment of costs) for items or services furnished substantially in excess of such individual's or entity's usual charges (or, in applicable cases, substantially in excess of such individual's or entity's costs) for such items or services, unless the Secretary finds there is good cause for such bills or requests containing such charges or costs;

Which is in the Code of Federal Regulations as:

42 CFR § 1001.701 Excessive claims or furnishing of unnecessary or substandard items and services.

(a) *Circumstance for exclusion.* The OIG may exclude an individual or entity that has -

(1) Submitted, or caused to be submitted, bills or requests for payments under Medicare or any of the State health care programs containing charges or costs for items or services furnished that are substantially in excess of such individual's or entity's usual charges or costs for such items or services; or

Billing Medicaid FFS or MCOs

DO NOT BILL MEDICAID AT AN AMOUNT GREATER THAN OTHER PAYERS!

EXAMPLE:

Medicaid rate	$225
Private Pay Rate / Usual & Customary	$210

Which rate should you bill?

This isn't hard to answered but may be hard to accept.

The provider should bill $210 which complies with IL and Federal regulations.
HFS & MCOs then are responsible for paying and should pay the lesser of the billed amount or Medicaid rate.

Technically, the payor could pay more than what is billed. The law covers the actions of the provider who bills not what the payer pays.


TAXES

Old Tax vs. New Tax

OLD TAX(es)	CHANGE
$6.07 per occupied bed day less Medicare Occupied beds	Tax rate for Occupied beds now tiered based on Medicaid days
$1.50 per licensed bed day	Licensed bed tax eliminated

HFS emailed County Nursing Homes 2-10-2023 notifying them of the new $7 tax rate effective Feb. 1st.

Veteran's Homes operated by the State of IL are exempt from taxes both then and now.

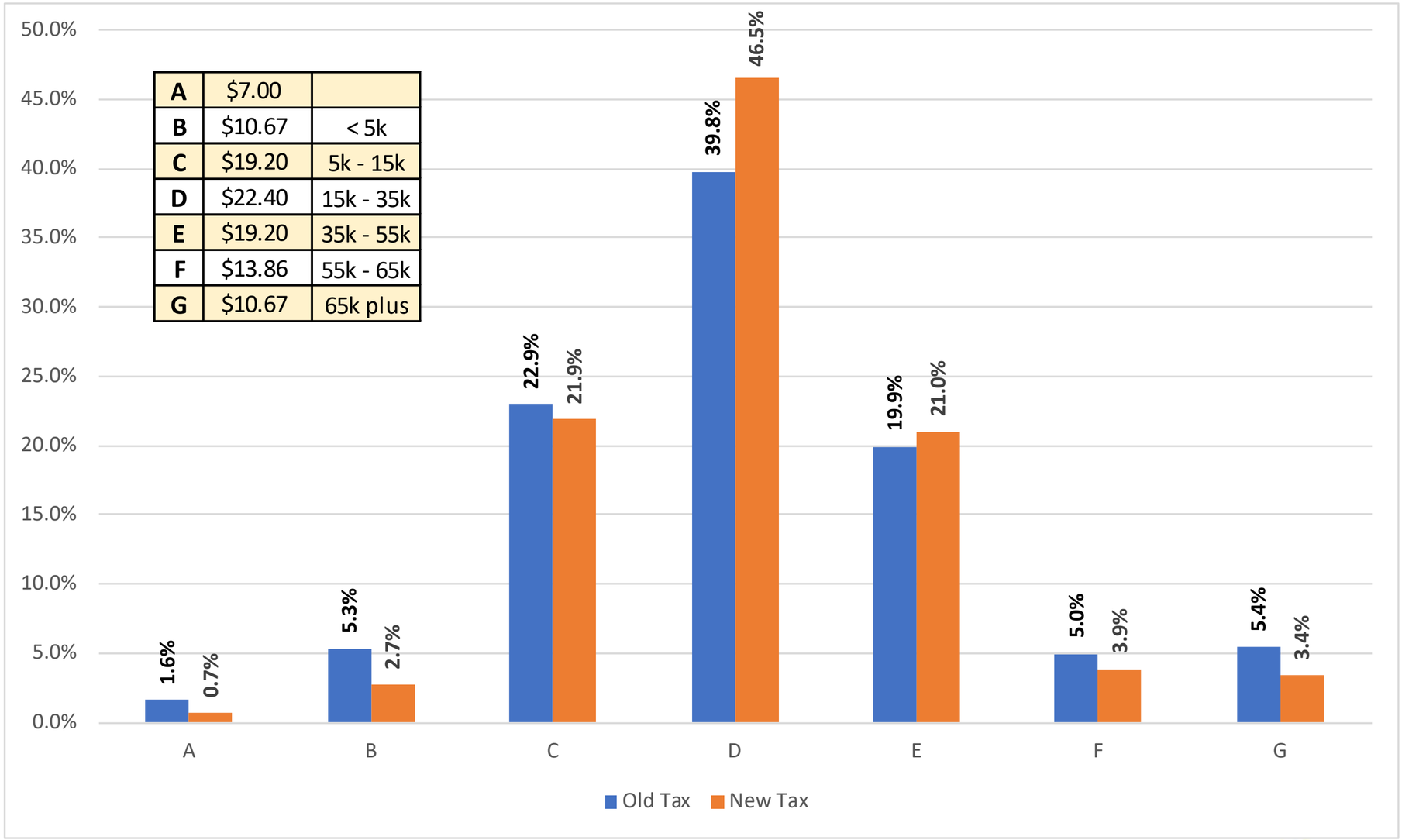
NEW TAX			
Legend for Charts	Provider Assessment Rate Tiers		
	Medicaid Days From	Medicaid Days To	Assessment Rate
B	0	5,000	$10.67
C	5,001	15,000	$19.20
D	15,001	35,000	$22.40
E	35,001	55,000	$19.20
F	55,001	65,000	$13.86
G	65,001	and Above	$10.67
A	Non-Profit NFs w/o Medicaid Certified Beds		$7.00
A	County Nursing Homes		$7.00
Assessed per occupied bed day less Medicare Occupied beds			

Tiered tax spreads tax burden so those who have more opportunity to offset the tax via higher Medicaid pay more of the tax which helps minimize losers.

Old Tax vs. New Tax – Tax Spread

The new tiered structure aligns the tax with Medicaid days more than the previous flat tax.

This is limited by federal regulations. A state cannot 100% align a tax with Medicaid days or payments.



Why change? Minimize Losers

In 2011 when the $6.07 bed tax was created Leading Age (LSN at the time) opposed. Below is why. The new structure combined with reimbursement redesign minimizes losers and rewards outcomes.

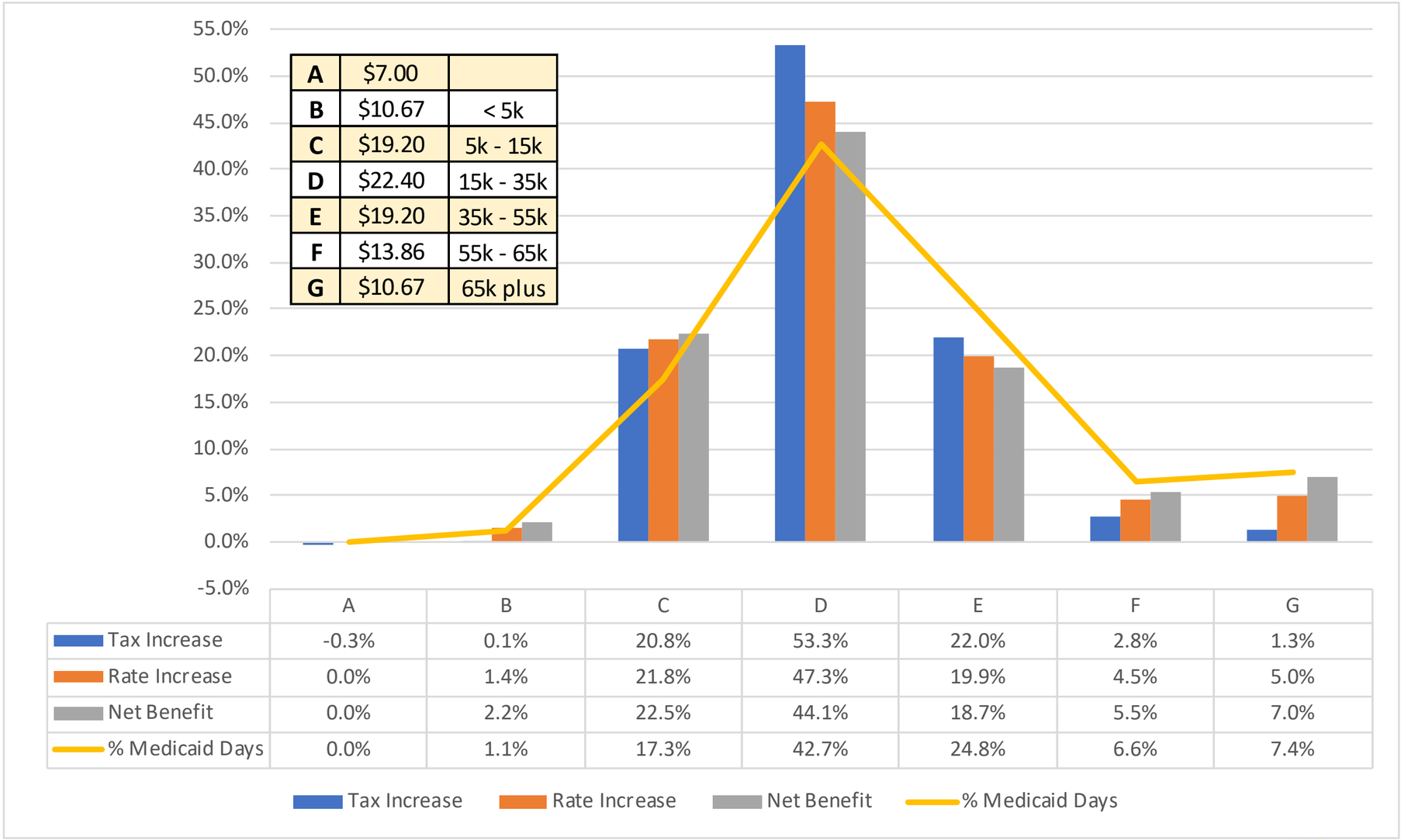
SUMMARY OF NEW NURSING HOME BED TAX (as proposed in draft legislation)

	WINNERS			LOSERS				
	Count	Amount	Amount per Home	Count	Amount	Amount per Home	% of Losers	Total Homes
All Homes	475	$110,686,000	$233,023	337	($22,053,000)	($65,439)	41.5%	812
LSN Homes	46	$5,523,000	$120,065	101	($7,555,000)	($74,802)	68.7%	147
NON-PROFIT	63	7,887,000	$125,190	128	($8,595,000)	($67,148)	67.0%	191
PROFIT	386	$99,517,000	$257,816	181	($12,809,000)	($70,768)	31.9%	567

Distribution of Tax & Rate Increase Benefits

This chart shows how the portion of the new tax, rate increases, and net benefit spread across NHs by tax tier.

Even though the highest tax tier group bears a greater portion of the tax than the rate increase or benefit



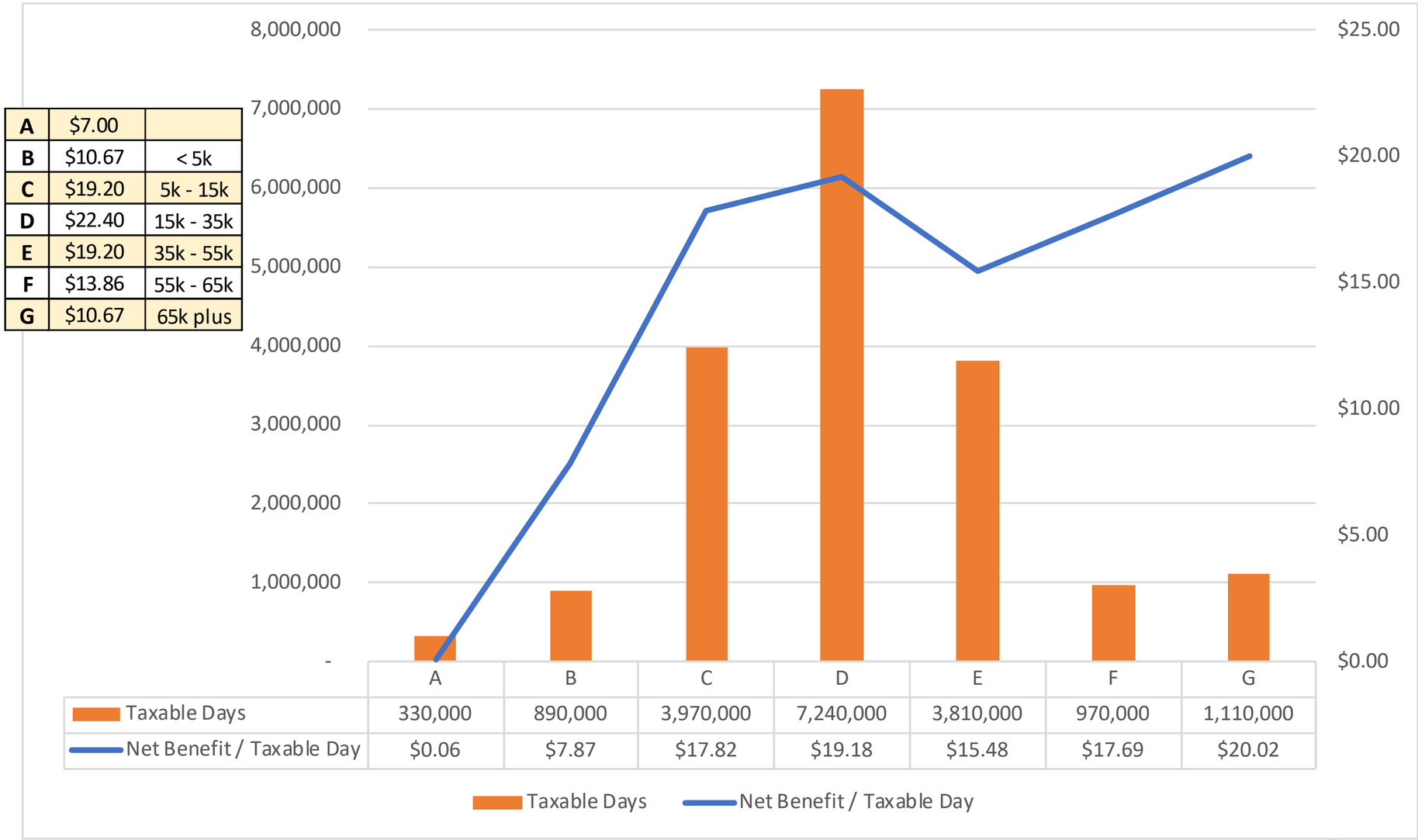
A	$7.00	
B	$10.67	< 5k
C	$19.20	5k - 15k
D	$22.40	15k - 35k
E	$19.20	35k - 55k
F	$13.86	55k - 65k
G	$10.67	65k plus

	A	B	C	D	E	F	G
Tax Increase	-0.3%	0.1%	20.8%	53.3%	22.0%	2.8%	1.3%
Rate Increase	0.0%	1.4%	21.8%	47.3%	19.9%	4.5%	5.0%
Net Benefit	0.0%	2.2%	22.5%	44.1%	18.7%	5.5%	7.0%
% Medicaid Days	0.0%	1.1%	17.3%	42.7%	24.8%	6.6%	7.4%

Net Benefit per Taxable Day

NHs in higher tax tiers have a greater net benefit per taxable day. They gain more than they pay in tax.

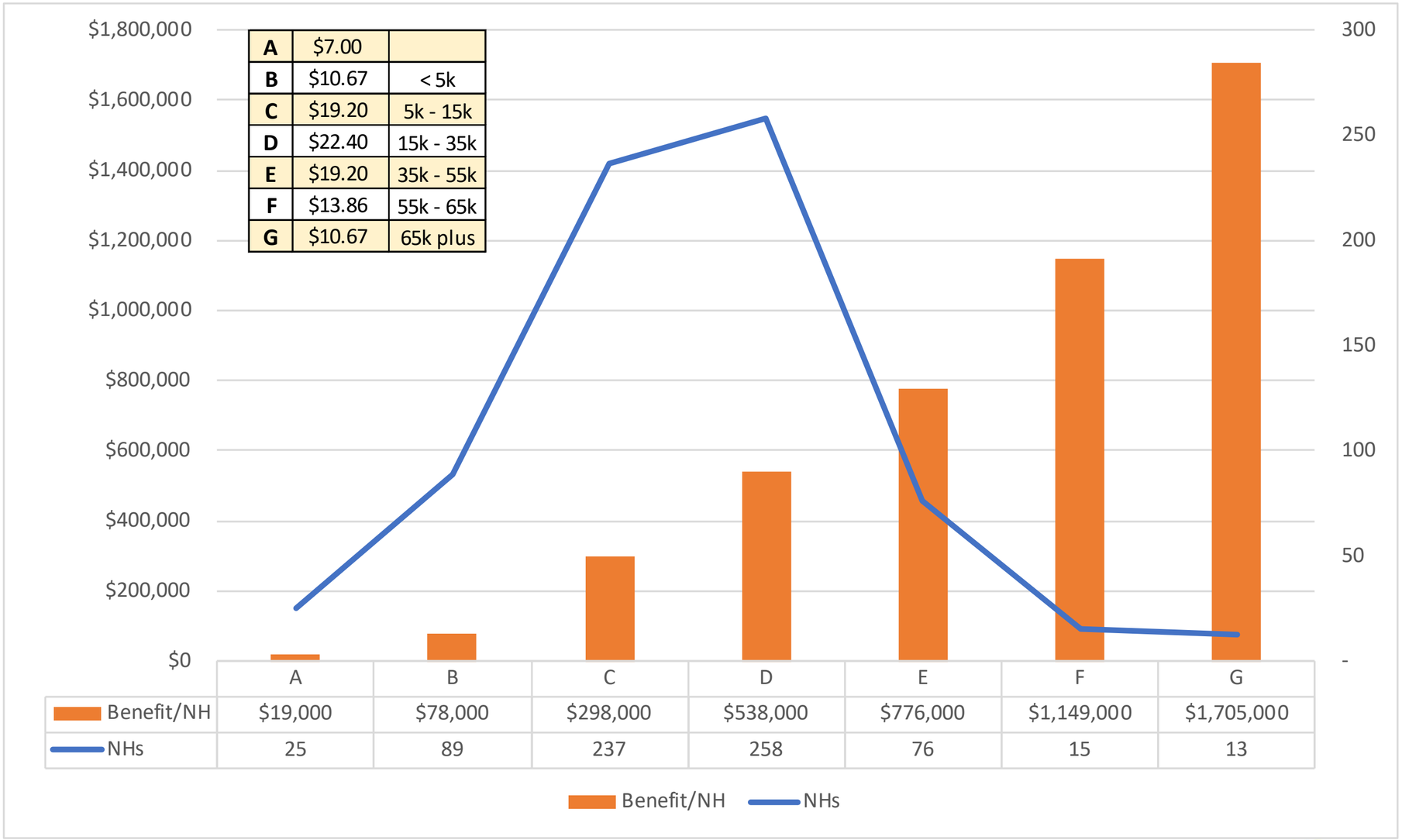
A	$7.00	
B	$10.67	< 5k
C	$19.20	5k - 15k
D	$22.40	15k - 35k
E	$19.20	35k - 55k
F	$13.86	55k - 65k
G	$10.67	65k plus



More Medicaid Days = Greater Benefit

The net benefit per NH increases for NHs with more Medicaid days.

FYI – the net benefit for the NHs without Medicaid in tier A is from the lower tax they pay now in the new tax compared to the old tax.



Bottom Line – Tax Design

Medicaid Provider Taxes help fill holes from the underfunding from state and federal governments. These taxes are inefficient funding mechanisms because they take resources from the very providers they look to fund. The challenge is to minimize the downside of any provider tax program.

The new tax design better aligns the tax that funds Medicaid rates with the NHs which have the greatest opportunity to benefit from Medicaid rates.

In the end higher Medicaid NHs still see significant net benefits but less than the old tax. By lowering their net benefit some it reduces the numbers of losers – those who pay more tax than what they get from Medicaid.

Minimizing losers &reducing the negative impact for losers makes the program more sustainable.

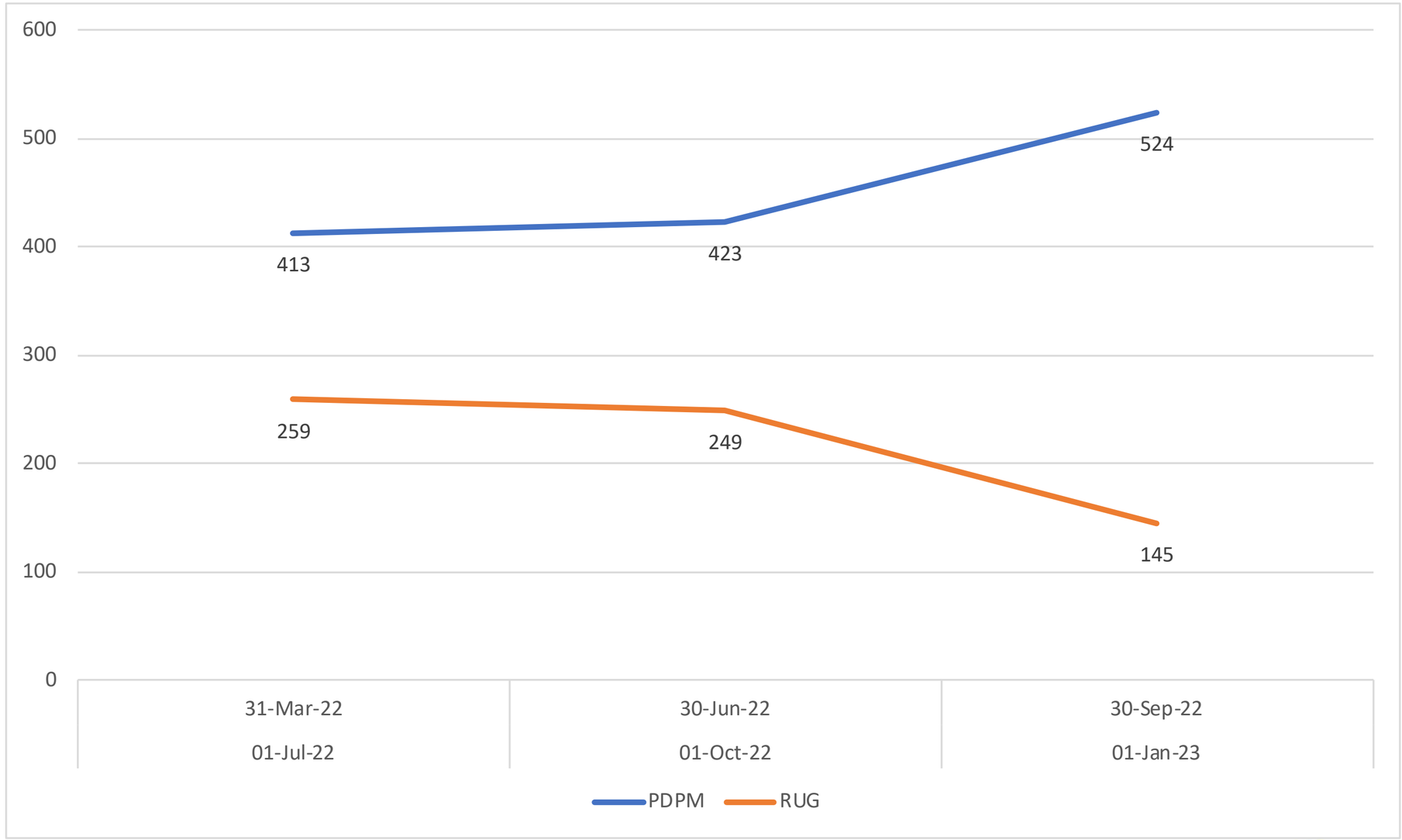
Transitioning from RUG-IV to the PDPM Nursing Component

Moving from RUG-IV to PDPM

In the 3rd quarter of the redesign, almost 80% (78.3%) of NHs are being paid under PDPM.

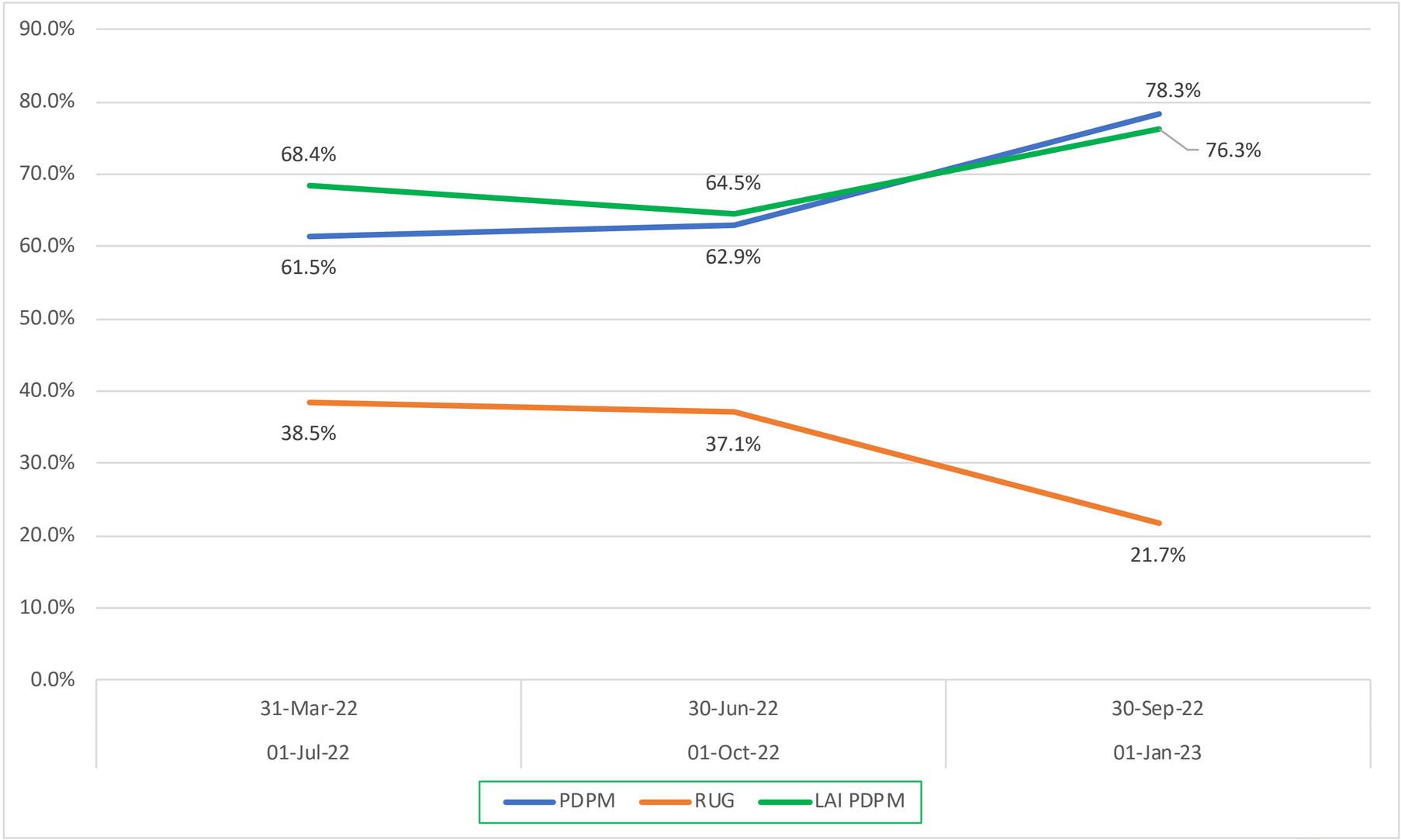
Only 61.5% were in PDPM at the stat of redesign.

The transition ends Oct. 1, 2023 i.e. all NHs will be reimbursed under PDPM for the rates starting that quarter.



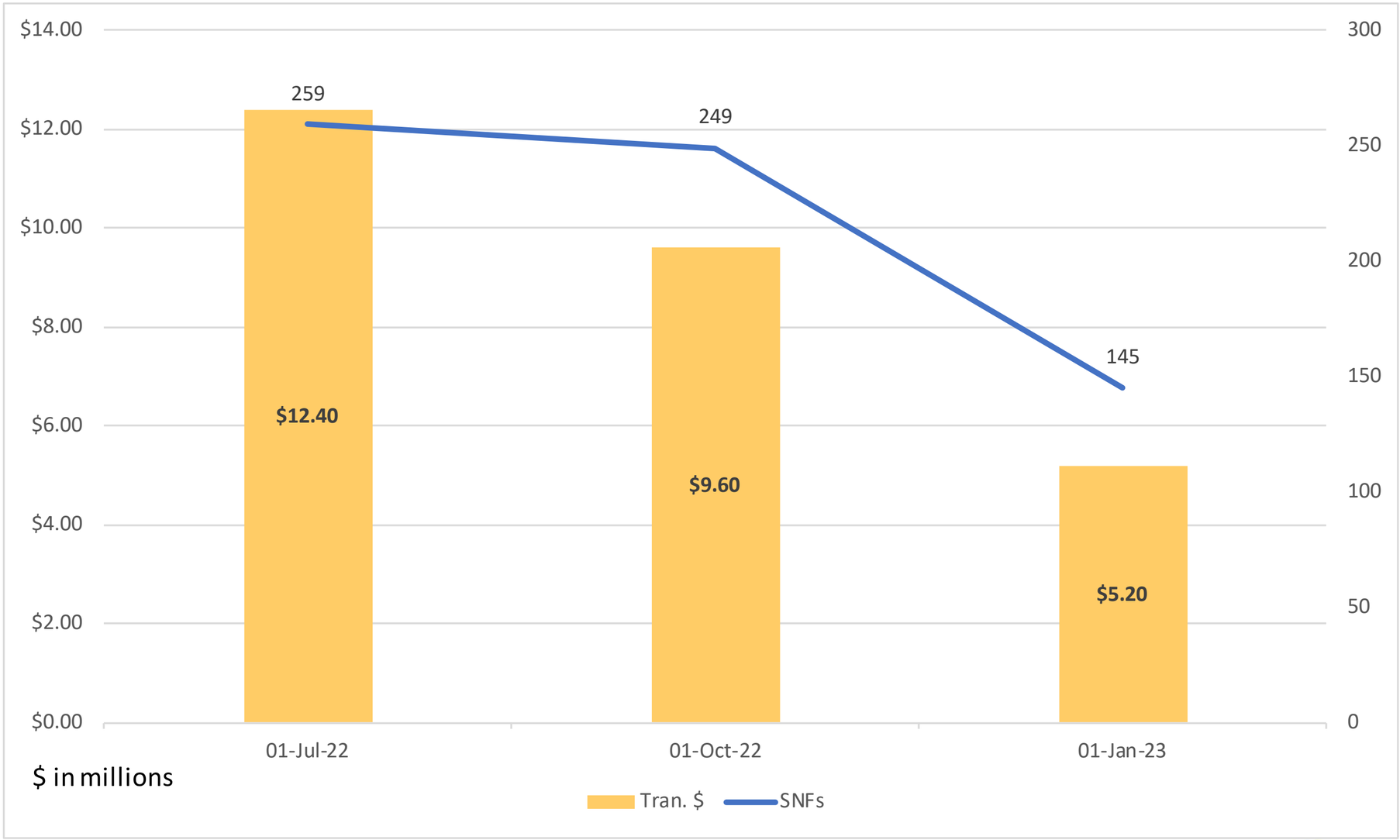
LeadingAge Members transition

LeadingAge members started at a higher level than average when it comes to be under PDPM transition.



Estimated Cost of Transition

My estimates for the transition cost were $40 million of the full implementation. Estimating the costs from MDS Medicaid residents shows so far, the transition is below that level likely because of the quicker shift to PDPM by NHs.



Staffing Incentive

Staffing Incentive Rates

$$\frac{\text{Actual Staffing HPRD (CMS)}}{\text{Residents' Need Staffing HPRD residents' need (based on STRIVE—Acuity)}}$$

Beginning July 1, 2019, a $4.55 per diem add-on was paid as part of the overall nursing component. A reporting requirement was never implemented. This staffing add-on will be replaced with a new staffing incentive add-on. The new staffing incentive add-on is based on the NF's staffing level as related to the resident's needs. This measure is separate and different from the arbitrary staffing ratios in Illinois law as part of the Department of Public Health's regulatory oversight.

Staffing Incentive Rates

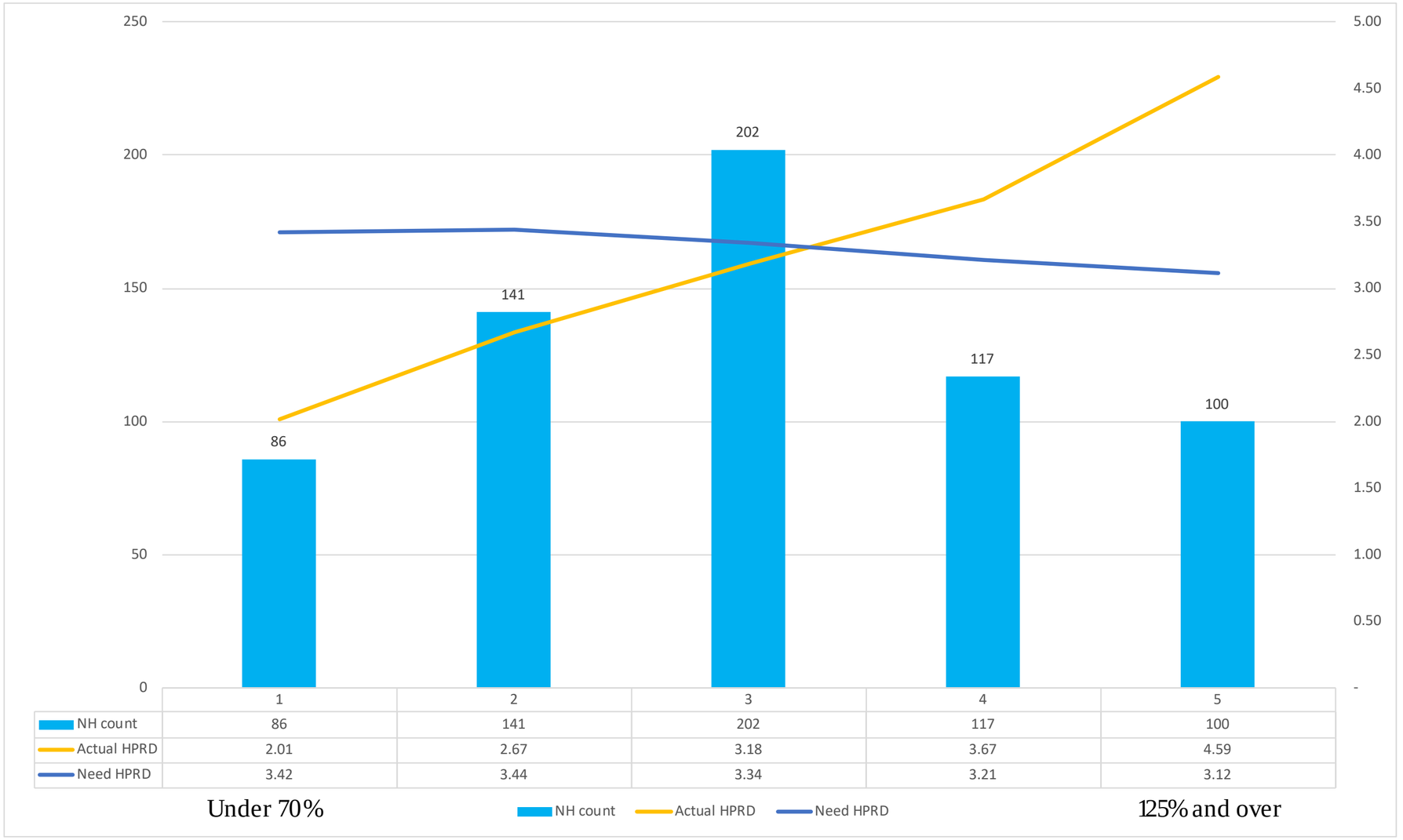
%	Rate	%	Rate
70%	$9.00	98%	$28.26
71%	$9.59	99%	$29.01
72%	$10.18	100%	$29.75
73%	$10.76	101%	$30.35
74%	$11.35	102%	$30.94
75%	$11.94	103%	$31.54
76%	$12.53	104%	$32.13
77%	$13.11	105%	$32.73
78%	$13.70	106%	$33.32
79%	$14.29	107%	$33.92
80%	$14.88	108%	$34.51
81%	$15.62	109%	$35.11
82%	$16.36	110%	$35.70
83%	$17.11	111%	$35.90
84%	$17.85	112%	$36.10
85%	**$18.59**	113%	$36.30
86%	$19.34	114%	$36.49
87%	$20.08	115%	$36.69
88%	$20.83	116%	$36.89
89%	$21.57	117%	$37.09
90%	$22.31	118%	$37.29
91%	$23.06	119%	$37.49
92%	$23.80	120%	$37.68
93%	$24.54	121%	$37.88
94%	$25.29	122%	$38.08
95%	$26.03	123%	$38.28
96%	$26.78	124%	$38.48
97%	$27.52	125% +	$38.68

Where we are at now - Jan. 1, 2023

Staffing %	Avg Staffing Rate
Under 70%	$0.00
70% - 84%	$13.32
85% - 105%	$25.89
106% - 124%	$36.19
125% & over	$38.68

This is the 1st quarter without the floor rate of $18.59 (85%).

This chart only includes NHs who have a Medicaid rate.

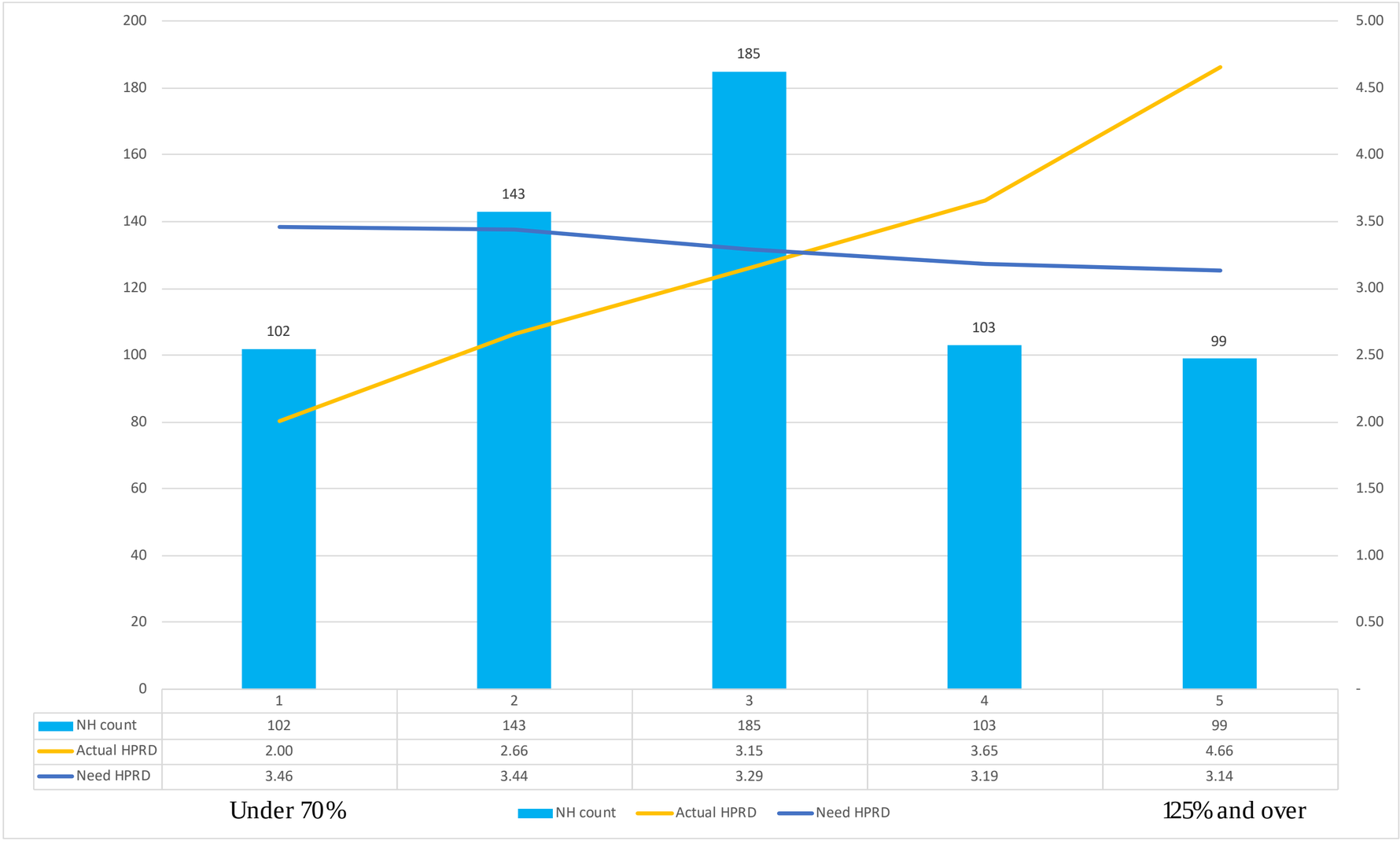


Where we started - July 1, 2022

Staffing %	Avg Staffing Rate
Under 70%	$18.60
70% - 84%	$18.60
85% - 105%	$26.17
106% - 124%	$36.38
125% & over	$38.68

There are 18 fewer NHs in the bottom 2 groups but the lowest group dropped by 18.

This chart only includes NHs who have a Medicaid rate.



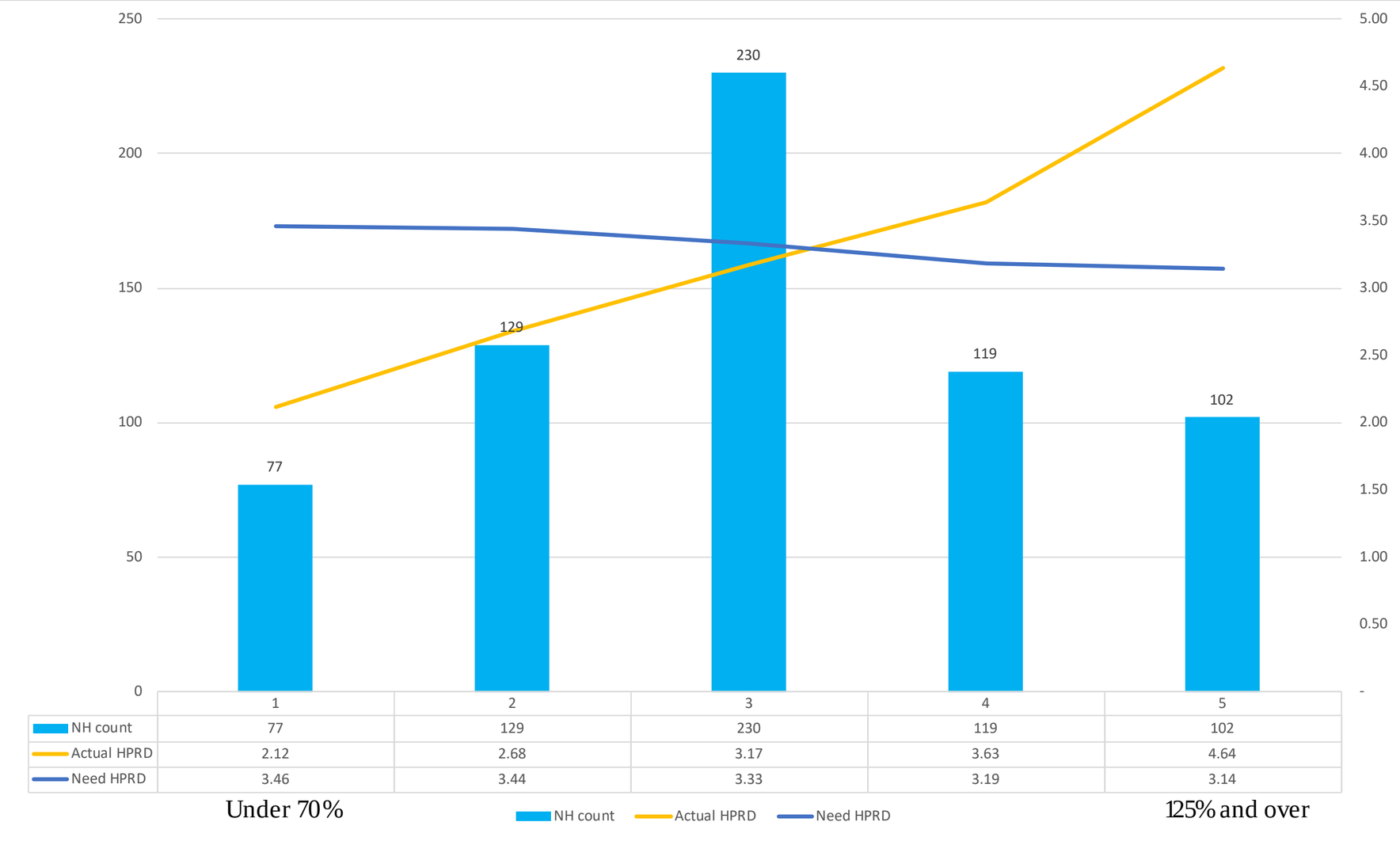
	1	2	3	4	5
NH count	102	143	185	103	99
Actual HPRD	2.00	2.66	3.15	3.65	4.66
Need HPRD	3.46	3.44	3.29	3.19	3.14

Where we are going - Est. April 1, 2023

Staffing %	Avg Staffing Rate
Under 70%	$0.00
70% - 84%	$13.42
85% - 105%	$25.77
106% - 124%	$36.08
125% & over	$38.68

In the next quarter, there are 39 fewer NHs in the bottom 2 groups.

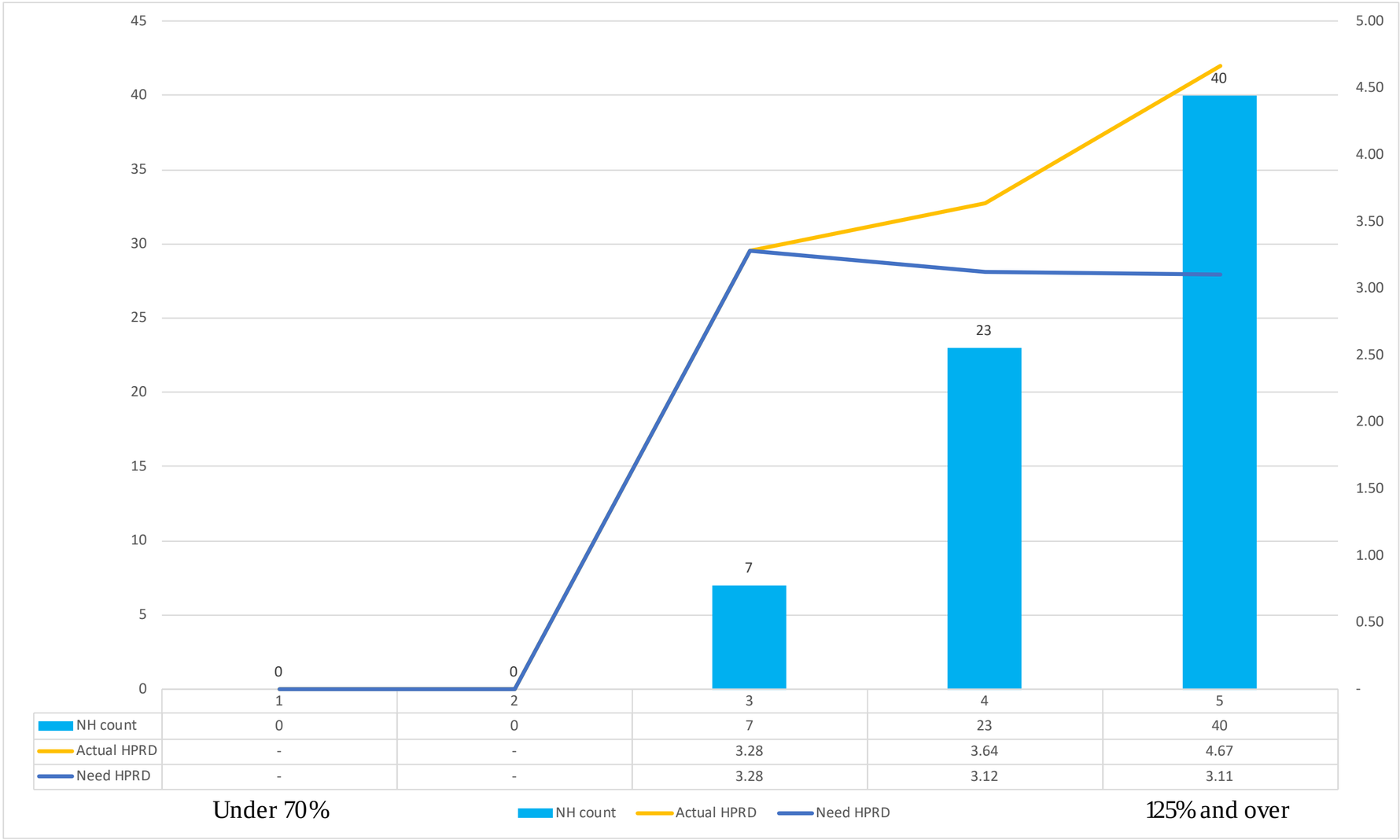
Hours Per Resident Day (HPRD) have increased by almost 3% while resident populations has increased by 5%.



LeadingAge Only - Est. April 1, 2023

Staffing %		Avg Staffing Rate
1	Under 70%	
2	70% - 84%	
3	85% - 105%	$29.24
4	106% - 124%	$36.73
5	125% & over	$38.68

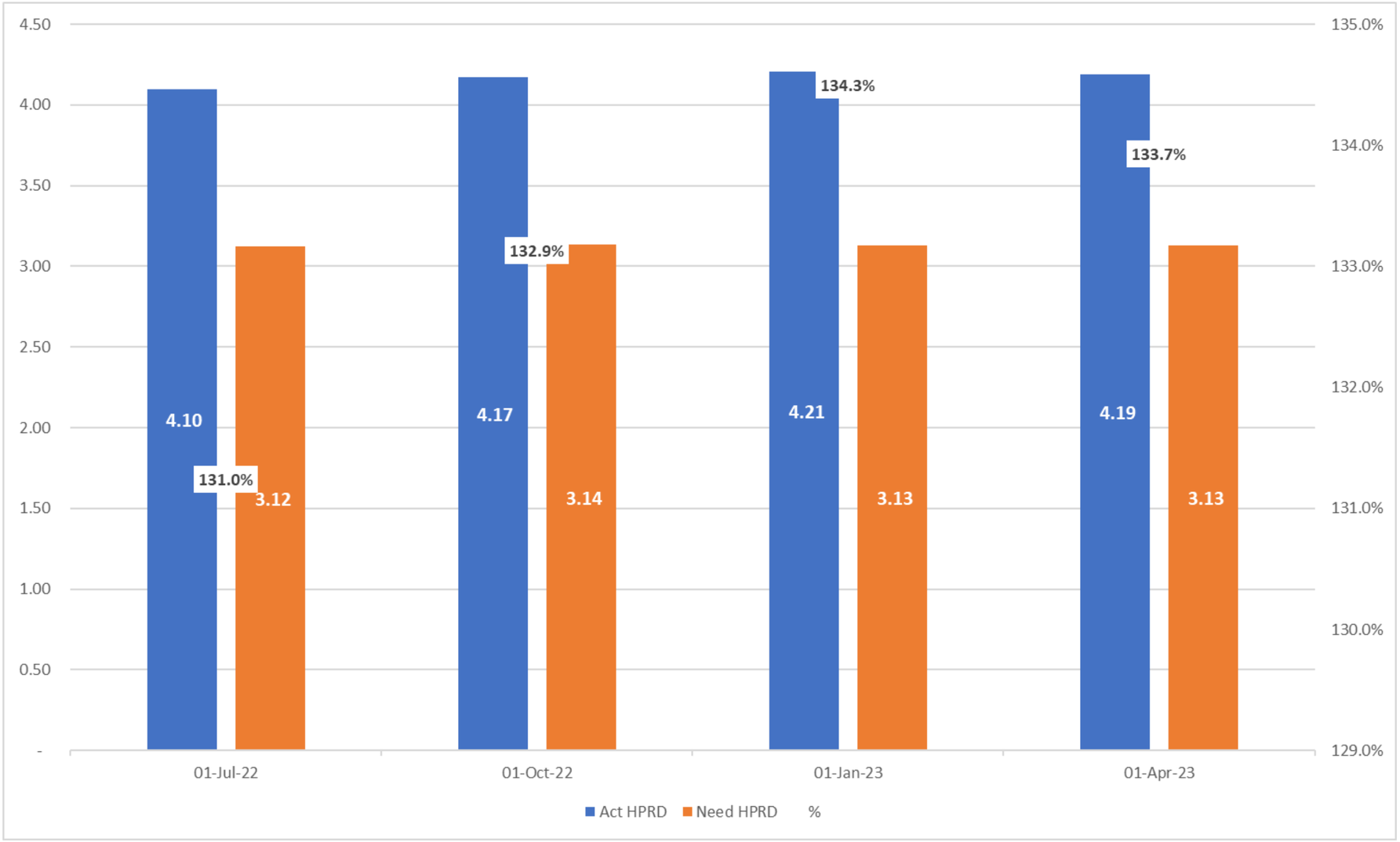
Our membership performs well with staffing. This was understandably a top priority for us during negotiations.



LeadingAge Only – FY 2023 Staffing

	Avg. Rate
1-Jul-22	$34.25
1-Oct-22	$35.54
1-Jan-23	$35.10
1-Apr-23	$35.32

On average, our members shine on the HFS staffing incentives.




QUALITY

Quality Calculation

This method must be used for at least all of SFY 2023. After that changes can be made in metrics via a public process involving associations representing NHs, workers, and patient advocates.

Formula for a Quarter's Quality Incentive Payment to Nursing Facility i

$$\$Quality_i = SW_i * M_i / QWD_{Total} * \$17{,}500{,}000$$

or

$$\$Quality_i = QWD_i / QWD_{Total} * \$17{,}500{,}000$$

Where…

- $QWD_i = SW_i * M_i$ = the payment quarter's quality weight total for facility I (or quality-weighted days)
- SW_i = the statutory weight applied to each STAR rating for facility I (see table below for values)
- M_i = one-fourth of the #Medicaid paid days for year ending 9 months prior for nursing facility i
- QWD_{Total} = the payment quarter's quality weight average across STAR values for the state as a whole, calculated as follows:

STAR rating	Statutory weight applied to each rating (SW_{STAR})		One-fourth of #Medicaid Paid Days for year ending 9 months prior, Statewide		Sum of all quality weight scores statewide (for one quarter)
0-1	0	*	$M_{STAR=0-1}$	=	0
2	0.75	*	$M_{STAR=2}$	=	$QWD_{STAR=2}$
3	1.5	*	$M_{STAR=3}$	=	$QWD_{STAR=3}$
4	2.5	*	$M_{STAR=4}$	=	$QWD_{STAR=4}$
5	3.5	*	$M_{STAR=5}$	=	$QWD_{STAR=5}$
			Sum total = Payment quarter's quality weight total for the state =		QWD_{Total}

Quality Floor – Set to 1st Quarter Payment

The per diem dollar value calculated for each STAR rating for the implementing quarter serves as an initial floor:

STAR rating	Statutory weight applied to each rating (SW_{STAR})		Dollars per quality-weighted day in implementing quarter		Dollar value per Medicaid day in implementing quarter		Dollar floor $\$Floor_{STAR=j}$
0-1	0	*	$\$QWD_{3Q2022}$	=	$ -	=	0
2	0.75	*	$\$QWD_{3Q2022}$	=	$ 1.793	=	$\$Floor_{STAR=2}$
3	1.5	*	$\$QWD_{3Q2022}$	=	$ 3.587	=	$\$Floor_{STAR=3}$
4	2.5	*	$\$QWD_{3Q2022}$	=	$ 5.977	=	$\$Floor_{STAR=4}$
5	3.5	*	$\$QWD_{3Q2022}$	=	$ 8.368	=	$\$Floor_{STAR=5}$

Where…

$\$QWD_{3Q2022}$ = Dollars per quality-weighted day in implementing quarter = $17,500,000 / $QWD_{Total,3Q2022}$ = $2.391

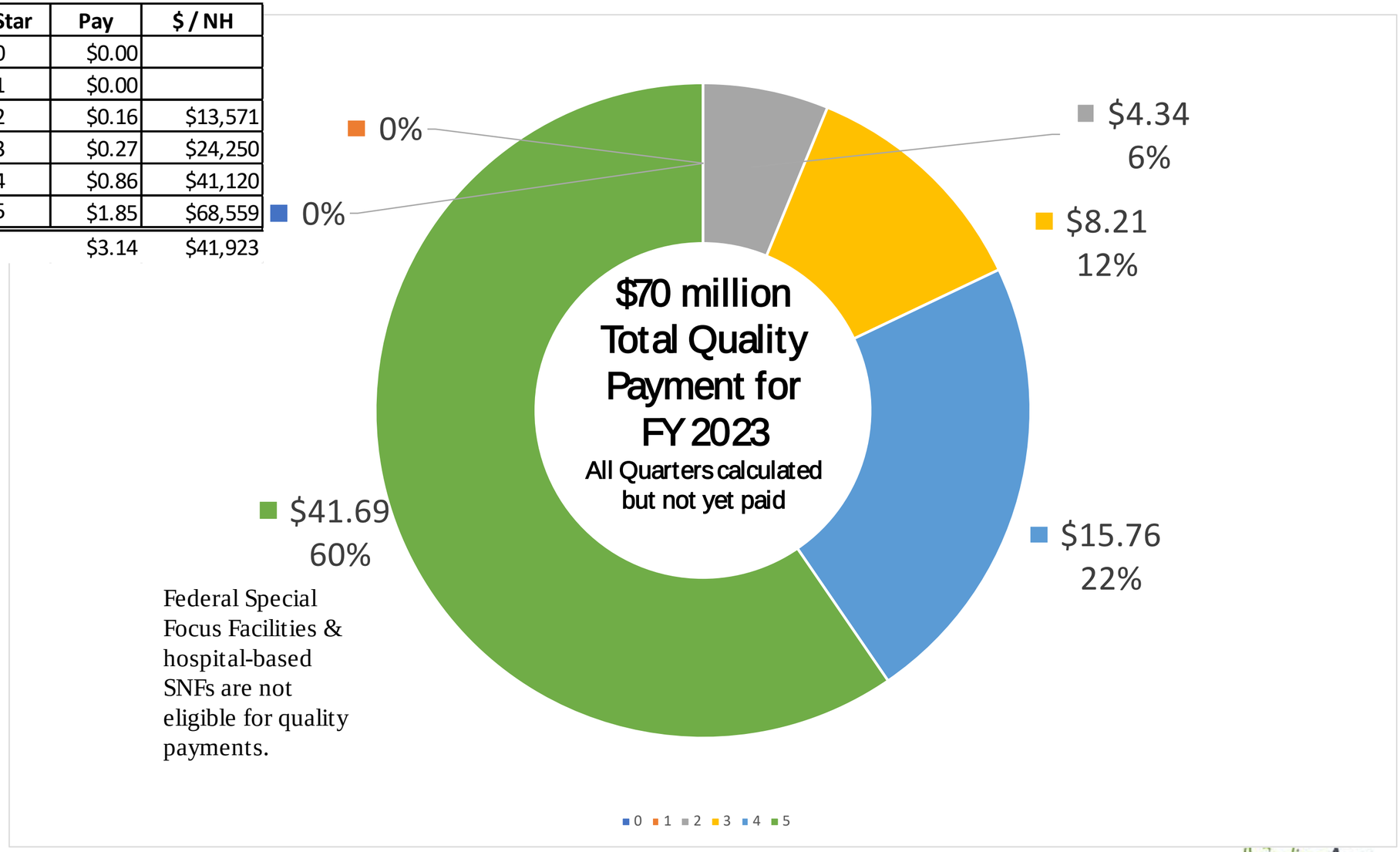
HFS tells each MCO how much of the quarterly quality payment is their responsibility.

Calculated Payment by Payer and Plan															
FFS Days	MMAI Plans							Managed Care Plans (Non-MMAI)							
Medicaid Fee-For-Service	Aetna Better Health	Blue Cross/Blue Shield of Illino	Cook County Ca	Humana Health Plan	IlliniCare Health Plan	Meridian Health Plan	Molina Healthcare	Aetna Better Health	Blue Cross/Blue Shield of Illino	Cook County Ca	Humana Health Plan	IlliniCare Health Plan	Meridian Health Plan	Molina Healthcare
$ 1,694.51	$ 507.32	$ 567.99	$ -	$ 1,107.16	$ -	$ 1,521.21	$ -	$ 2,875.33	$ 872.98	$ 455.00	$ -	$ -	$ 5,288.45	$ 83.96

FY 2023 Quality Payments by Long Stay Star

LS Star	Pay	$ / NH
0	$0.00	
1	$0.00	
2	$0.16	$13,571
3	$0.27	$24,250
4	$0.86	$41,120
5	$1.85	$68,559
	$3.14	$41,923

Our members do well under quality also. Payments are weighted by Medicaid days, so the total impact looks small.



Federal Special Focus Facilities & hospital-based SNFs are not eligible for quality payments.

What Makes Up Long Stay Star?

Federal CMS announced they will be auditing diagnosis codes related to schizophrenia. This could impact the antipsychotic metric.

Measures for Long-Stay residents (defined as residents who are in the nursing home for greater than 100 days) that are derived from MDS assessments:

- **Percentage of long-stay residents whose need for help with daily activities has increased**
- **Percentage of long-stay residents whose ability to move independently worsened**
- **Percentage of long-stay high-risk residents with pressure ulcers**
- **Percentage of long-stay residents who have or had a catheter inserted and left in their bladder**
- **Percentage of long-stay residents with a urinary tract infection**
- **Percentage of long-stay residents experiencing one or more falls with major injury**
- **Percentage of long-stay residents who got an antipsychotic medication**

Measures for Long-Stay residents that are derived from claims data:

- **Number of hospitalizations per 1,000 long-stay resident days**
- **Number of outpatient emergency department (ED) visits per 1,000 long-stay resident days**


CERTIFIED NURSE
ASSISTANT

Voluntary CNA Tenure & Promotion

SOME IMPORTANT NOTES

- This is NOT a temporary program tied to PHE.
- This is NOT a program only funded for 1 year.
- This program does NOT mandate a starting CNA hourly wage.
- The spending is not CAPPED. It can grow beyond the estimated amount.
- The program is set in law and would require a change in law to eliminate. With this being an HFS initiative, the CNA program would be near the end of line of any future cuts.
- It does mandate a salary schedule with minimum increase based on overall experience as a CNA.
- HFS ONLY reimburses for the Medicaid portion so the NH must cover the non-Medicaid portion.

Voluntary CNA Tenure & Promotion

Medicaid will subsidize facilities if their CNA experience pay-scale provides at least the following:

- A raise of $1.50 per hour for CNAs with at least one year's experience
- A raise of (another) $1.00 per hour for each additional year of experience (beyond the first) up to a maximum of $6.50 per hour for CNAs with at least 6 years' experience
- "Tenure" – the term used to describe experience in the statute -- is measured as experience working as a CNA, and with CNA duties, and is not limited to tenure in a CNA's current facility

Additional Hourly Wage Increase	CNA experience
$1.50	**1 Year**
$2.50	**2 Years**
$3.50	**3 Years**
$4.50	**4 Years**
$5.50	**5 Years**
$6.50	**6 or More Years**

Note: facilities may choose larger wage increments, but HFS will only subsidize these amounts.

LINK: Overview CNA Payscale

Link: CNA Pay Scale Subsidy FAQs

Voluntary CNA Tenure & Promotion

Illinois Department of HealthCare and Family Services
CNA Incentive Payment Program Calculation Example

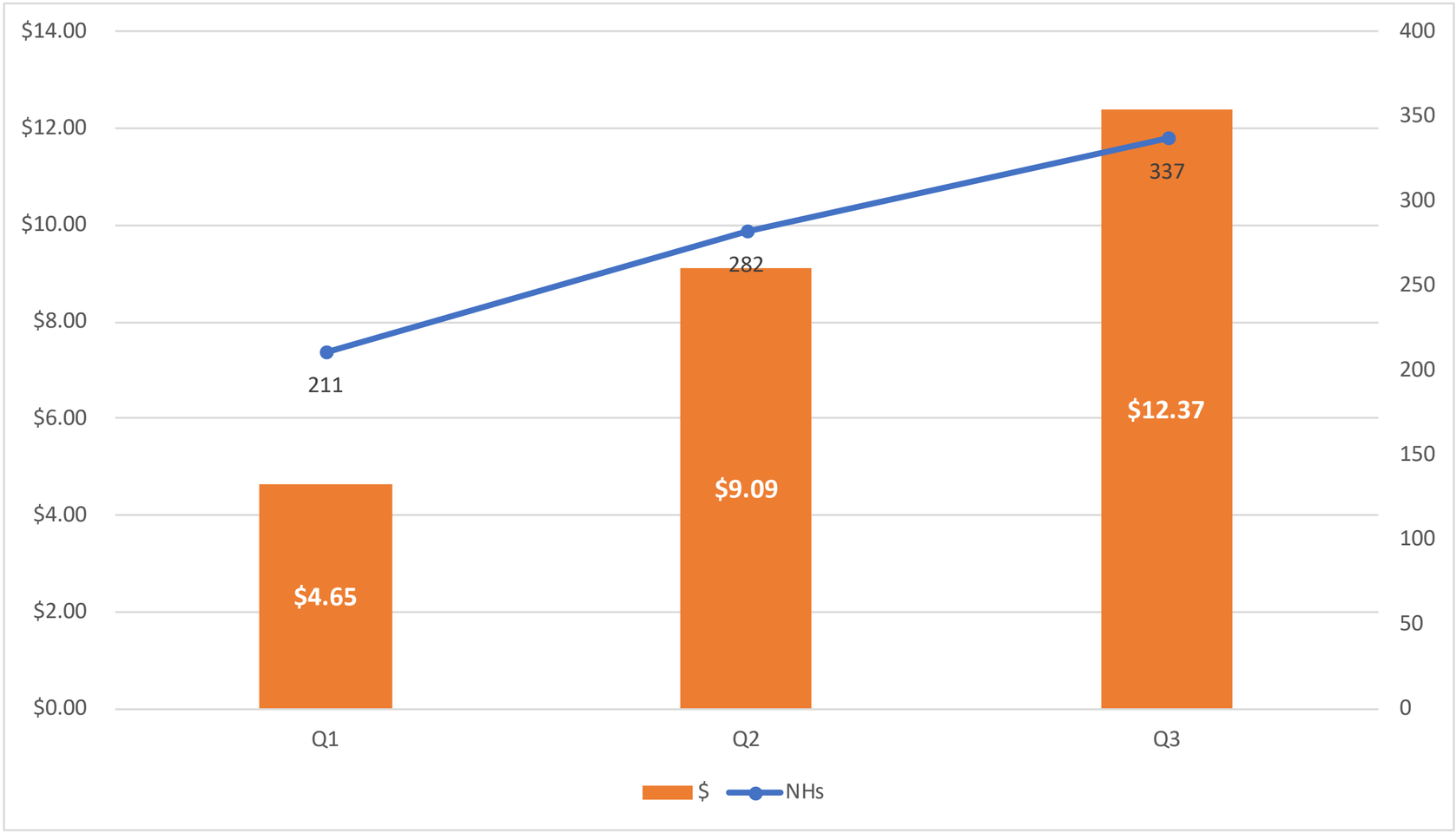
CNA Pay Scale Formula for Nursing Facility i

Medicaid's share of resident days for year ending 9 months prior				CNA hours and status from the most recent published PBJ and quarterly facility-submitted CNA templates		Minimum pay scale = subsidized amounts		Medicaid's share of quarterly estimated cost of CNA minimum payscale			CNA payscale monthly payment
#Medicaid Paid Days$_i$	/	#Total Resident Days$_i$	*	# CNA hours at 1 year's Experience$_i$	*	$1.50	=	$E_{1,i}$	/3	=	$E_{1,i}^{monthly}$
#Medicaid Paid Days$_i$	/	#Total Resident Days$_i$	*	# CNA hours at 2 year's Experience$_i$	*	$2.50	=	$E_{2,i}$	/3	=	$E_{2,i}^{monthly}$
#Medicaid Paid Days$_i$	/	#Total Resident Days$_i$	*	# CNA hours at 3 year's Experience$_i$	*	$3.50	=	$E_{3,i}$	/3	=	$E_{3,i}^{monthly}$
#Medicaid Paid Days$_i$	/	#Total Resident Days$_i$	*	# CNA hours at 4 year's Experience$_i$	*	$4.50	=	$E_{4,i}$	/3	=	$E_{4,i}^{monthly}$
#Medicaid Paid Days$_i$	/	#Total Resident Days$_i$	*	# CNA hours at 5 year's Experience$_i$	*	$5.50	=	$E_{5,i}$	/3	=	$E_{5,i}^{monthly}$
#Medicaid Paid Days$_i$	/	#Total Resident Days$_i$	*	# CNA hours at 6+ year's Experience$_i$	*	$6.50	=	$E_{6,i}$	/3	=	$E_{6,i}^{monthly}$
#Medicaid Paid Days$_i$	/	#Total Resident Days$_i$	*	# CNA hours with a Promotion$_i$ [max 15% of total CNA Hours]	*	$1.50	=	P_i	/3	=	$P_i^{monthly}$
								Sum total = monthly payment			$TotalCNA$_i^{monthly}$

Please note HFS is using hours reported under PBJ job code 10 ONLY. If you have CNAs on your pay scales which are reported under different job codes, they are not used in the payment calculation.

Voluntary CNA Tenure & Promotion

Participation in the CNA program continues to grow. Only 9 LeadingAge members are participating at this time.



Voluntary CNA Tenure & Promotion

	H.S.A.	Medicaid NHs	NHs in CNA Program	% Participation
1	NW IL - Galena	51	19	37.3%
2	North Central - Peoria	64	45	70.3%
3	West Central - Springfield	53	26	49.1%
4	East Central - Decatur, C/U	66	48	72.7%
5	Southern IL	67	41	61.2%
6	Chicago	73	33	45.2%
7	DuPage / Suburban Cook	149	63	42.3%
8	North Collar - Kane, Lake , McHenry	57	25	43.9%
9	South Collar - Will, Kendall, Grundy, Kankakee	27	6	22.2%
10	Quad Cities Area	16	8	50.0%
11	Southern IL - Metro East	41	23	56.1%
	State Totals	**664**	**337**	**50.8%**

Medicaid %	Medicaid NHs	NHs in CNA Program	% Participation
60% or less	278	105	37.8%
61% - 70%	106	53	50.0%
71% - 80%	129	83	64.3%
81% - 90%	108	66	61.1%
Over 90%	43	30	69.8%
	664	337	

H.S.A.	FY2023 Q1	FY2023 Q2	FY2023 Q3
1	$293.2	$446.9	$467.9
2	$723.7	$1,180.6	$1,362.9
3	$201.5	$569.2	$739.5
4	$576.2	$1,128.5	$1,214.4
5	$549.4	$896.0	$1,006.5
6	$526.6	$1,132.4	$1,973.5
7	$847.1	$1,960.8	$3,346.9
8	$164.8	$583.0	$1,061.7
9	$128.6	$262.2	$144.9
10	$225.8	$282.0	$283.5
11	$408.4	$651.0	$768.4
	$4,645.3	**$9,092.6**	**$12,370.2**

$ in thousands

Participation is the strongest in the central and southern parts of Illinois. Also, it is not a surprise to see higher participation with higher Medicaid NHs.

Voluntary CNA Tenure & Promotion

And this one for those who like crosstabs…

H.S.A.	60% or less	61% - 70%	71% - 80%	81% - 90%	Over 90%	Total
1	36.4%	9.1%	66.7%	33.3%	33.3%	37.3%
2	51.4%	90.9%	90.9%	100.0%	100.0%	70.3%
3	41.4%	53.8%	71.4%	100.0%	0.0%	49.1%
4	70.7%	66.7%	75.0%	85.7%	0.0%	72.7%
5	36.4%	84.6%	81.3%	100.0%	100.0%	61.2%
6	22.2%	0.0%	50.0%	39.5%	75.0%	45.2%
7	20.4%	34.6%	52.9%	61.5%	71.4%	42.3%
8	17.4%	60.0%	53.8%	77.8%	50.0%	43.9%
9	8.3%	0.0%	50.0%	25.0%	100.0%	22.2%
10	37.5%	100.0%	33.3%	66.7%	0.0%	50.0%
11	35.3%	42.9%	66.7%	100.0%	100.0%	56.1%
Total	37.8%	50.0%	64.3%	61.1%	69.8%	**50.8%**

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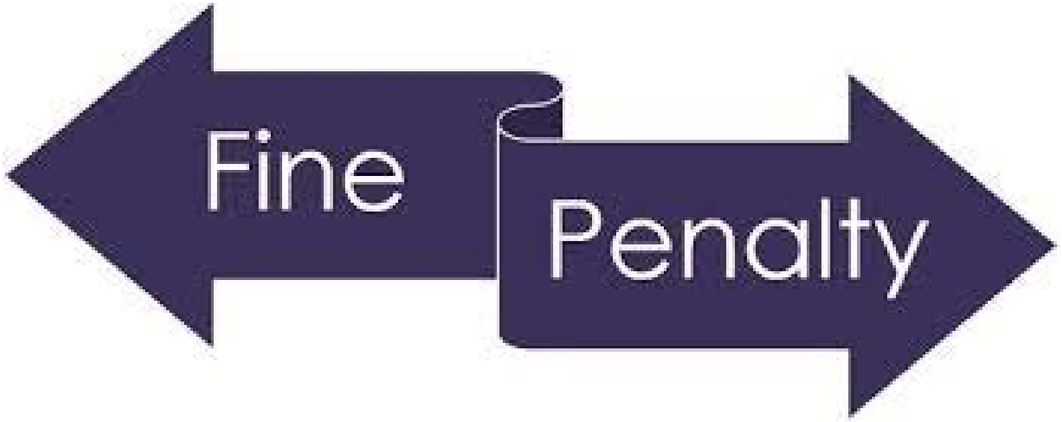
ILLINOIS DEPARTMENT OF PUBLIC HEALTH



DPH staffing penalties

- Public Act 102-1118 (HB 240) from the lame duck session delayed the imposition of staffing fines. The first fines will be imposed July 1, 2025 for the time period of Jan 1, 2025 to March 31, 2025.
- DPH will still calculate staffing ratio compliance each quarter and issue letters from now until fines are actual imposed.
- NHs should use this time to prepare.
  - Review data in the new "test period" to see if there are fine sin the 10% window that could be reduced.
  - Make sure your process of submitting and checking PBJ data is as good as it can be. Zero or wrong PBJ data not only could result in big fines it will also hurt your Medicaid rate.

Counting Staff – Fines vs. Rates & 5 Star

HFS uses the Federal CMS staffing categories while IL law specifies jobs for staffing ratio compliance.

			Illinois Ratios / DPH Fines	HFS Staffing Incentive
Nursing Staff				
IL Category 77 IL Ad. Cd Sec. 300.1230(f)	**PBJ Job Title Code**	**PBJ Job Description**	**DPH - IL Law**	**CMS 5 Star**
1) Registered Nurses, 7) Assistant DON, & 8) 50% of Director of Nursing (DON)	7	Registered Nurse	0.61	0.61
	6	RN w/ Admin. Duties	0.12	0.12
	5	Registered Nurse Director of Nursing	0.04	0.08
	13	Nurse Practitioner	0.00	
	14	Clinical Nurse Specialist	0.00	
2) Licensed Practical Nurses	9	Licensed Practical/Vocational Nurse	0.57	0.57
	8	LPN w/ Admin. Duties	0.06	0.06
3) Certified Nurse Assistants	10	Certified Nurse Aide	2.02	2.02
	11	Nurse Aide in Training	0.01	0.01
	12	Medication Aide/Technician	0.00	0.00
		Subtotal Nursing Staff:	3.43	3.46

DPH agreed to allow the RN & LPN admin duties job categories as part of the discussion which occurred after DPH's errors during the first fine letters…

Non-Nurse Direct Care Staff				
IL Category 77 IL Ad. Cd Sec. 300.1230(f)	**Job Title Code**	**Job Description**	**DPH - IL Law**	**CMS 5 Star**
4) & 6) Psychiatric Services Rehabilitation Aides & Coordinators	34	Mental Health Service Worker	0.02	
5) Rehabilitation & Therapy Aides	19	Occupational Therapy Assistant	0.07	
	20	Occupational Therapy Aide	0.00	
	22	Physical Therapy Assistant	0.09	
	23	Physical Therapy Aide	0.01	
	25	Respiratory Therapy Technician	0.00	
	29	Other Activities Staff	0.15	
9) 30% of Social Service Director	28	Qualified Activities Professional	0.02	
	30	Qualified Social Worker	0.01	
	31	Other Social Worker		
10) Licensed physical, occupational, speech, & respiratory therapists	18	Occupational Therapist	0.05	
	21	Physical Therapist	0.06	
	24	Respiratory Therapist	0.02	
	26	Speech/Language Pathologist	0.04	
		Subtotal Other Direct Care Staff:	0.55	-
		Total Staff HPRD:	**3.68**	**3.33**

First 2 Fine Test Periods

Jan. 1, 2022 to March 31, 2022

1st Test Period CORRECTED DPH Staffing Fines

Fined	Response group	# of NHs	Total Fines ($ in millions)	Avg. Fines / NH (Actual dollars)
No Fines	Compliant	75	$0.00	
Fined	Compliant	505	$17.30	$34,267
Fined	Zero census	84	$42.30	$503,534
Fined	Zero Staff	21	$6.88	$327,676
Fined	Zero Staff and Census	7	$3.61	$515,006
		692	**$70.09**	**$113,594**

April 1, 2022 to June 30, 2022

2nd Test Period CORRECTED DPH Staffing Fines

Fined	Response group	# of NHs	Total Fines ($ in millions)	Avg. Fines / NH (Actual dollars)
No Fines	Compliant	107	$0.00	
Fined	Compliant	555	$15.91	$28,666
Fined	Zero census	25	$9.36	$374,513
Fined	Zero Staff	8	$3.16	$395,419
Fined	Zero Staff and Census	3	$1.12	$374,548
		698	**$29.56**	**$50,016**

REPORTING COMPLIANCE: In the 1st period there were 112 NHs who failed to report census, report staffing or both. This dropped to 36 in the 2nd period.

Fines dropped: Total fines dropped by about $41million (58%) mostly driven by better reporting compliance, specifically census reporting. 85% of NHs were fined and 46% of the fines were on the 36 NHs who were not reporting data.

First 2 Fine Test Periods

Jan. 1, 2022 to March 31, 2022

Fined	Response group	Base Wage	Benefits	Penalty Factor
No Fines	Compliant	$0.00	$0.00	$0.00
Fined	Compliant	$11.54	$2.31	$3.46
Fined	Zero census	$28.20	$5.64	$8.46
Fined	Zero Staff	$4.59	$0.92	$1.38
Fined	Zero Staff and Census	$2.40	$0.48	$0.72
		$46.73	**$9.35**	**$14.02**
		66.7%	13.3%	20.0%

April 1, 2022 to June 30, 2022

Components of DPH Staffing Fines DPH Staffing Fines

Fined	Response group	Base Wage	Benefits	Penalty Factor
No Fines	Compliant	$0.00	$0.00	$0.00
Fined	Compliant	$10.61	$2.12	$3.18
Fined	Zero census	$6.24	$1.25	$1.87
Fined	Zero Staff	$2.11	$0.42	$0.63
Fined	Zero Staff and Census	$0.75	$0.15	$0.22
		$19.71	**$3.94**	**$5.91**
		66.7%	13.3%	20.0%

IMPACT BEYOND WAGES: About 1/3 of the total fines are from the increase for benefits and the penalty factor. In future quarters the penalty factor portion will increase if there are repeat offenders. This is inevitable the way the law is structured. One day of fines triggers the increase in the penalty factor.

1st offense= 1.25

2nd = 1.5

3rd and after =2

COVID-19 National Emergency and Public Health Emergency Set to End on May 11

One last thing…

Preparing for Medicaid Eligibility

Specific to Medicaid one of the potential biggest problems could be in approvals of new eligibility & admissions along with redeterminations.

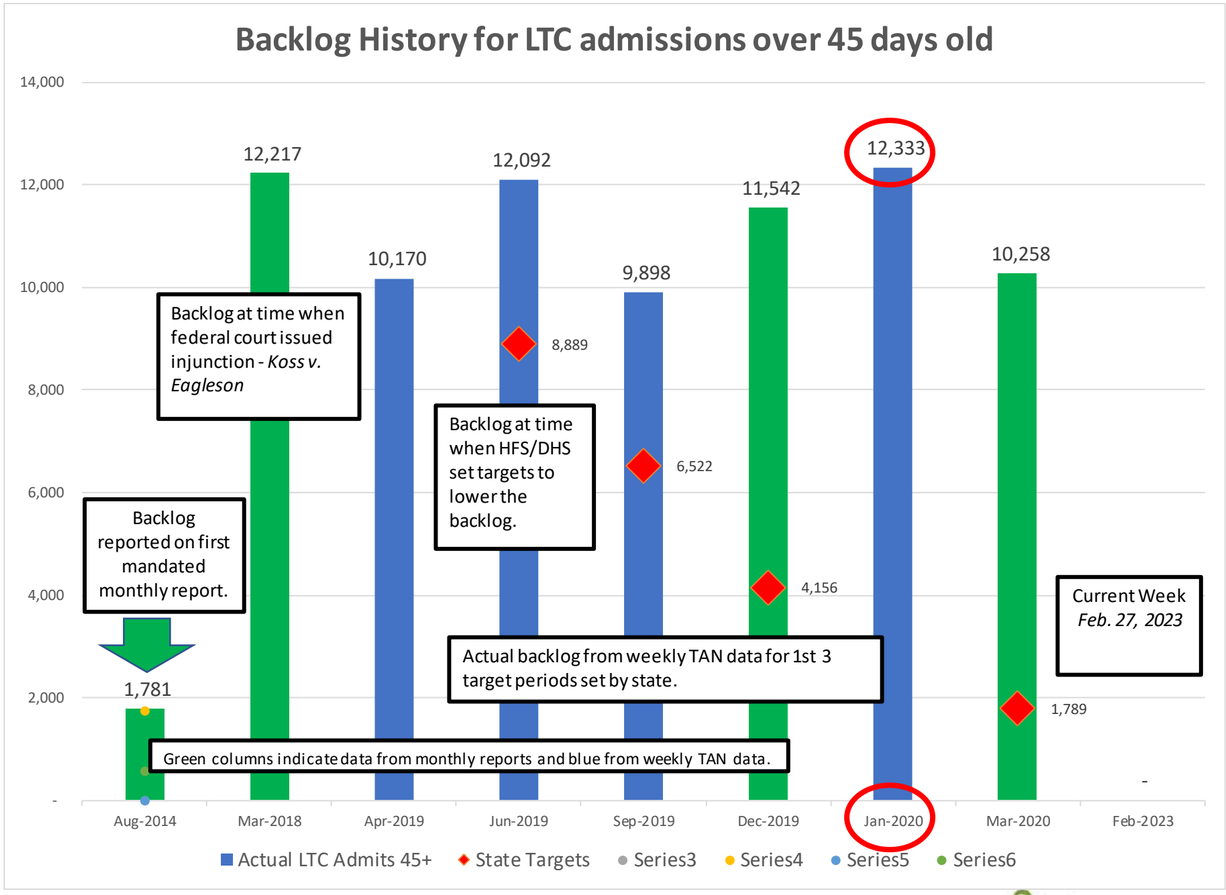
Remember the pending eligibility crisis was "solved" by a policy chance related d to processing AND unfortunately the pandemic.

Both help shrink the backlog of 12,333 applications in January 2020 down to almost zero. Was it more policy or pandemic? Hard to say but I fear the end of the PHE will cause the backlog to grow as redeterminations start again and the PHE policies expire.

Review your internal processes and make sure you are collecting what you need.

HFS Policy change from notice 2-27-2020 -Effective immediately, the additional resource review for LTC services can occur after the initial Medicaid and admission approval. This policy will impact both new and pending admission transactions.

The major changes with this new policy include determining initial eligibility for LTC services without requesting 12 months of bank statements or requesting an Additional Financial Information for LTC Applicants form (HFS 3654). The 3654 form will be sent to the individual after the initial approval of the LTC services.



QUESTIONS?

LeadingAge Illinois

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MOMENTUM

2023 ANNUAL MEETING & EXPO

MARCH 7-8, 2023

Renaissance Schaumburg
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