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Agenda

Nursing Home Industry Meeting Wisconsin Medicaid Nursing Facility Payment Methods

Thursday, July 22, 2021
1:00 PM - 3:00 PM

<https://dhs.wi.zoom.us/j/82628429130>

1. Welcome – Rene Eastman
2. Acuity Specific Billing & PDPM Transition – Rene Eastman
 - a. PDPM Components & Cost Centers
 - b. HIPPS Submission Testing Environment
3. Wisconsin Nursing Home Reimbursement System (WINHRS) transition for SFY22 rates – Beth Collier Vail / Myers & Stauffer
 - a. Provider Trainings
 - b. Supporting Document Upload & Audit Adjustment/Rate Approvals
4. Proposed Methods Changes – Rene Eastman
 - a. Use 2019 Cost Reports for Direct Care Values & Census
 - b. Removal of Treatment for Facilities 50 bed or Less – s. 2.10, 4.10, and 6.10
 - c. Modernize the Exceptional Medicare/Medicaid Utilization Incentive – s. 6.10
 - i. Apply to All Ownership Types
 - ii. Remove Preference for Medicare
 - iii. Graduate by Facility Size
 - d. Cease Therapy Space Allocations – s. 4.30
 - e. Set Fixed Rates for Traumatic Brain Injury Units – s. 7.02
5. Open Discussion/Call for Suggestions – Rene Eastman
6. Preliminary Rate Modelling – Jim Robinson / FDAS
 - a. Census & CMI Projections
 - b. RUGs vs. PDPM Comparison
 - c. Inflation Factors
 - d. Patient Liability Projection
 - e. Proposed Scenarios
7. Next Steps – Rene Eastman
 - a. Modelling Requests to DHS - July 31, 2021
 - b. Feedback to DHS - August 20, 2021
 - c. Final Public Meeting/Rate Formula Reveal – Wednesday, September 1, 2021 from 10:00 a.m. - 12 p.m.



WISCONSIN DEPARTMENT
of HEALTH SERVICES

Nursing Home Methods

Public Meeting
July 22, 2021
1 p.m.–3 p.m.

Presenters

- Rene Eastman, Division of Medicaid Services
- Beth Collier Vail, Myers & Stauffer
- Jim Robinson, Forward Data Analytics

Agenda

- Acuity-Specific Billing & PDPM Transition
- Wisconsin Nursing Home Reimbursement System (WINHRS) transition for SFY22 rates
- Proposed Methods Changes
- Preliminary Rate Modelling
- Next Steps

Acuity-Specific Billing & PDPM Transition

- PDPM Components & Cost Centers
 - Direct Care – Nursing will be weighted by the NPG component case mix index (CMI)
 - Direct Care – Other will be weighted by the NTA component CMI
 - CMIs will match those used by Medicare
 - Expected final decisions on FFY22 SNF PPS in early August 2021
- HIPPS Submission Testing Environment

Proposed Methods Changes

- Use 2019 Cost Reports for Direct Care Values & Census
- Cease Therapy Space Allocations (s. 4.30)
- Set Fixed Rates for Traumatic Brain Injury Units (s. 7.02)
- Removal of Treatment for Facilities 50 Beds or Less (s. 2.10, 4.10, 6.10)
 - 20% CMI increase
 - Property Cost Sharing
 - Existing Exceptional Medicare/Medicaid Utilization Incentive (EMMUI)

Proposed Methods Changes (cont.)

- Modernize the EMMUI (s. 6.10)
 - Apply to All Ownership Types
 - Remove Preference for Medicare
 - Graduate by Facility Size

		Medicaid Percentage				
		<50%	50.1-60%	60.1-70%	70.1-80%	>80%
Facility Size	0-40					
	41-50					
	51-60					
	61+					
	Values to be determined.					

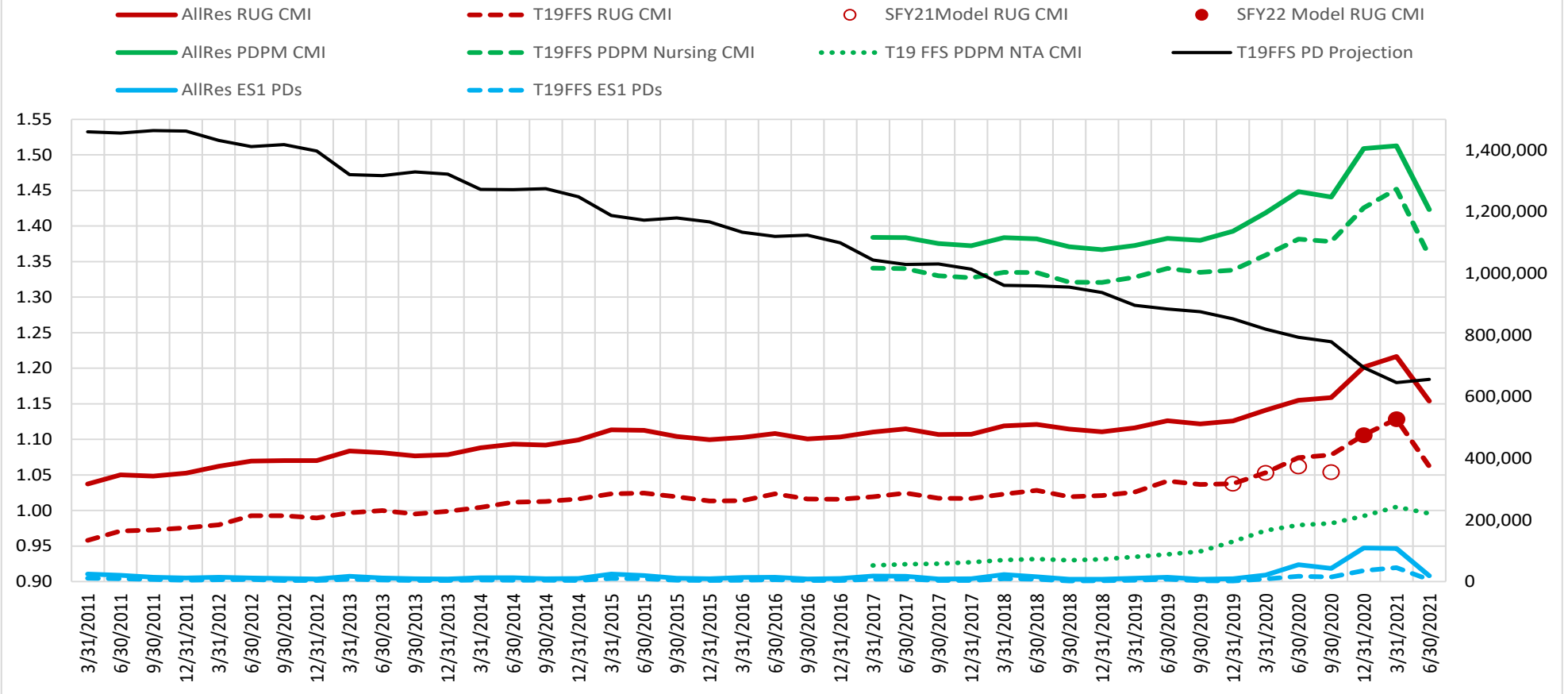
Preliminary Rate Modelling Estimates

- Census & CMI Projections
- RUGs vs. PDPM Comparison
- Inflation Factors
- Patient Liability Projection
- Proposed Scenarios

Next Steps

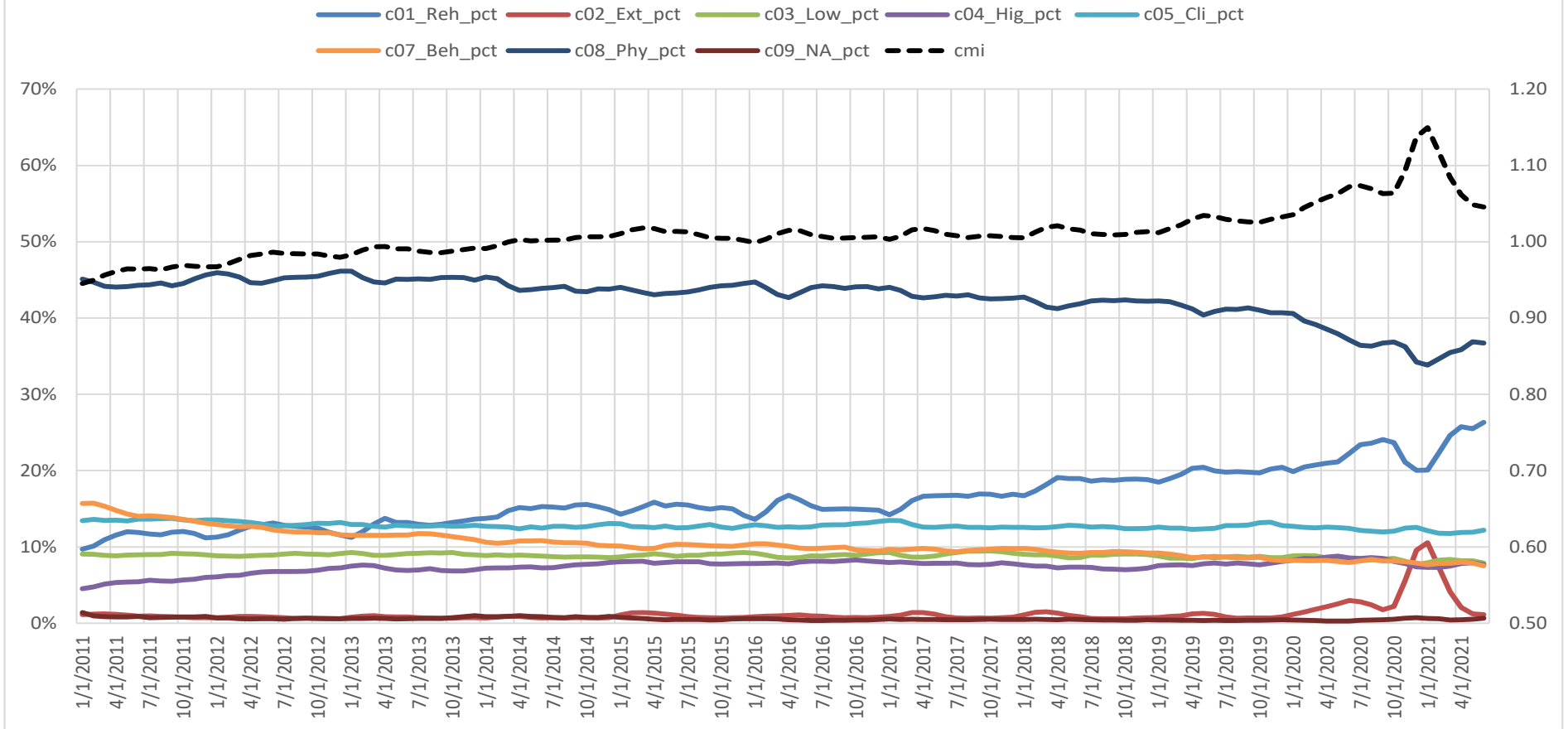
- Modelling Requests to DHS - July 31, 2021
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Wednesday, September 1, 2021 from 10 a.m. – 12
p.m.

WI NH Non-DD/Vent/TBI Resident PD and CMI Quarterly Trends



Note: 6/30/2021 values are preliminary

WI NH T19 FFS Non-Vent Non-DD RUG Category Percentages - Monthly History



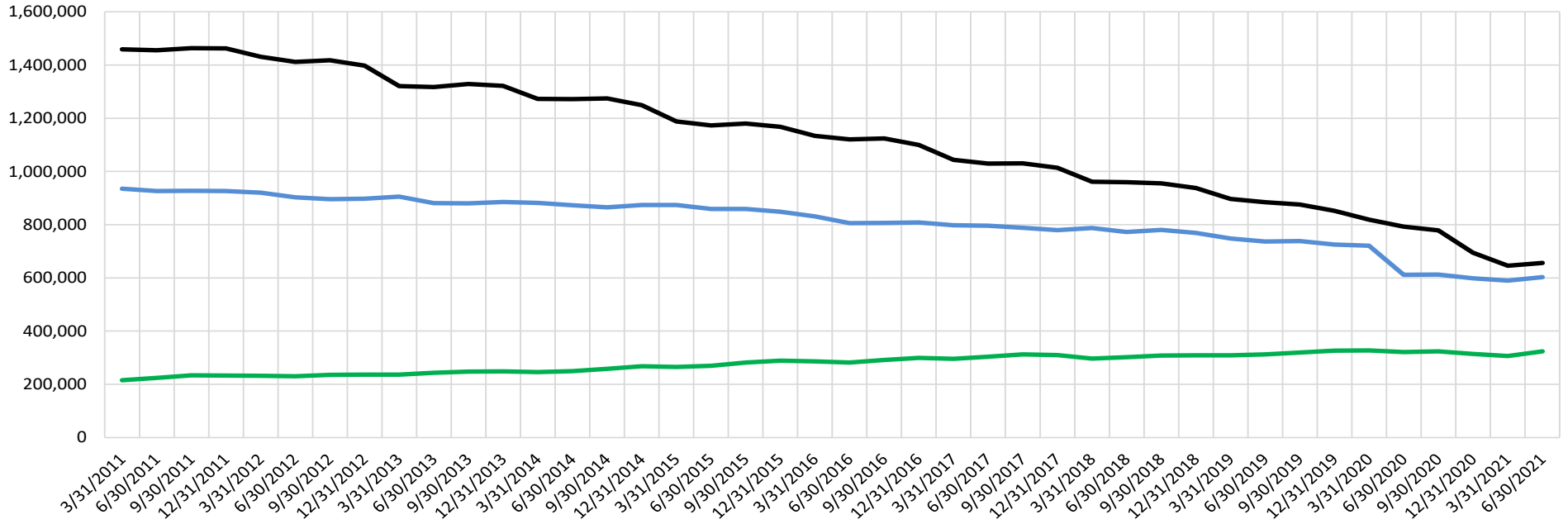
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Sum of totpds

Quarterly Patient Day History

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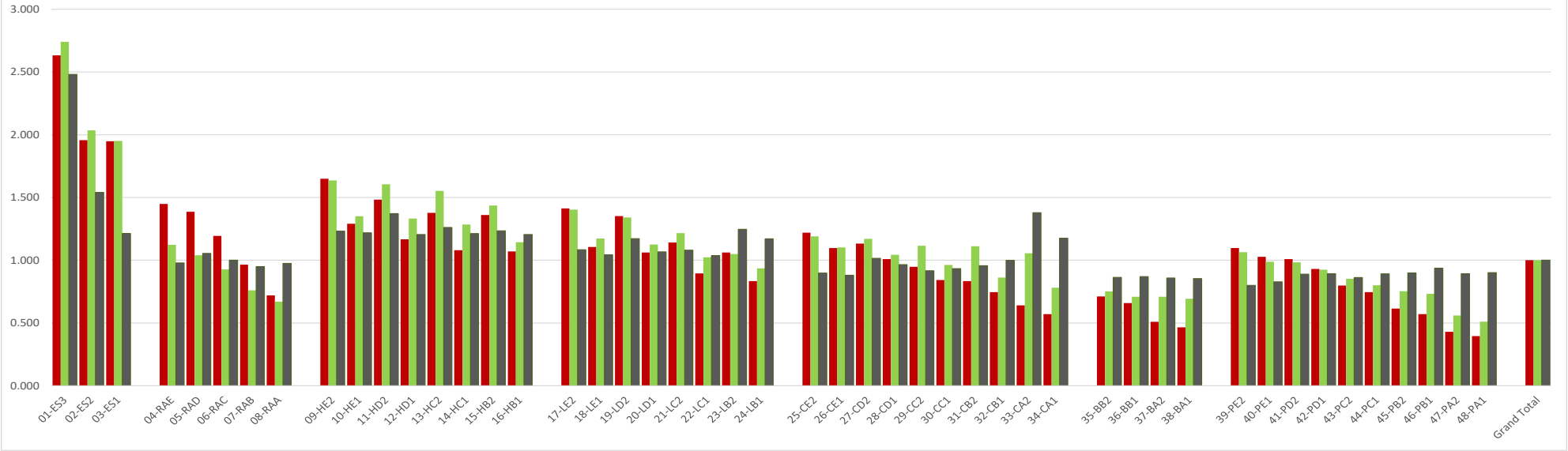
1-T19 NonDD 6-NonT19 NonDD MCO 5-NonT19 NonDD



Qtr

WI T19 FFS Non-DD NH RUG vs. PDPM - 2021Q1

■ Rescaled RUG Nurs CMI
 ■ Rescaled Average PDPM Nurs CMI
 ■ Rescaled Average PDPM NTA CMI



CMI's rescaled by dividing by the statewide average for T19 FFS residents (in 2021Q1).

RUG Nursing Class	Unadjusted CMI's			Rescaled CMI's		
	RUG Nursing	PDPM Nursing	PDPM NTA	RUG Nursing	PDPM Nursing	PDPM NTA
01-ES3	3.000	4.021	2.518	2.633	2.740	2.481
02-ES2	2.230	2.986	1.564	1.957	2.035	1.540
03-ES1	2.220	2.863	1.231	1.948	1.951	1.213
04-RAE	1.650	1.648	0.993	1.448	1.123	0.978
05-RAD	1.580	1.525	1.070	1.387	1.039	1.054
06-RAC	1.360	1.361	1.015	1.193	0.927	1.000
07-RAB	1.100	1.115	0.963	0.965	0.760	0.949
08-RAA	0.820	0.983	0.989	0.720	0.670	0.975
09-HE2	1.880	2.400	1.250	1.650	1.636	1.231
10-HE1	1.470	1.982	1.236	1.290	1.351	1.218
11-HD2	1.690	2.355	1.391	1.483	1.605	1.371
12-HD1	1.330	1.955	1.223	1.167	1.332	1.205
13-HC2	1.570	2.277	1.280	1.378	1.552	1.261
14-HC1	1.230	1.884	1.230	1.079	1.284	1.212
15-HB2	1.550	2.108	1.253	1.360	1.437	1.234
16-HB1	1.220	1.679	1.223	1.071	1.144	1.205

RUG Nursing Class	Unadjusted CMI's			Rescaled CMI's		
	RUG Nursing	PDPM Nursing	PDPM NTA	RUG Nursing	PDPM Nursing	PDPM NTA
17-LE2	1.610	2.058	1.099	1.413	1.403	1.083
18-LE1	1.260	1.721	1.058	1.106	1.173	1.043
19-LD2	1.540	1.967	1.189	1.351	1.340	1.171
20-LD1	1.210	1.650	1.082	1.062	1.125	1.066
21-LC2	1.300	1.784	1.096	1.141	1.216	1.080
22-LC1	1.020	1.503	1.052	0.895	1.024	1.036
23-LB2	1.210	1.540	1.265	1.062	1.049	1.247
24-LB1	0.950	1.373	1.188	0.834	0.936	1.170
25-CE2	1.390	1.746	0.911	1.220	1.190	0.898
26-CE1	1.250	1.616	0.894	1.097	1.101	0.880
27-CD2	1.290	1.717	1.030	1.132	1.170	1.015
28-CD1	1.150	1.531	0.980	1.009	1.044	0.965
29-CC2	1.080	1.636	0.930	0.948	1.115	0.916
30-CC1	0.960	1.411	0.947	0.842	0.962	0.933
31-CB2	0.950	1.631	0.970	0.834	1.111	0.956
32-CB1	0.850	1.265	1.014	0.746	0.862	0.999
33-CA2	0.730	1.548	1.399	0.641	1.055	1.379
34-CA1	0.650	1.147	1.193	0.570	0.781	1.175

RUG Nursing Class	Unadjusted CMI's			Rescaled CMI's		
	RUG Nursing	PDPM Nursing	PDPM NTA	RUG Nursing	PDPM Nursing	PDPM NTA
35-BB2	0.810	1.103	0.876	0.711	0.752	0.863
36-BB1	0.750	1.040	0.882	0.658	0.709	0.869
37-BA2	0.580	1.040	0.871	0.509	0.709	0.859
38-BA1	0.530	1.017	0.867	0.465	0.693	0.854
39-PE2	1.250	1.561	0.811	1.097	1.064	0.799
40-PE1	1.170	1.449	0.839	1.027	0.988	0.827
41-PD2	1.150	1.443	0.902	1.009	0.983	0.889
42-PD1	1.060	1.356	0.905	0.930	0.924	0.892
43-PC2	0.910	1.250	0.875	0.799	0.852	0.862
44-PC1	0.850	1.175	0.904	0.746	0.801	0.891
45-PB2	0.700	1.105	0.912	0.614	0.753	0.899
46-PB1	0.650	1.074	0.950	0.570	0.732	0.936
47-PA2	0.490	0.821	0.906	0.430	0.560	0.893
48-PA1	0.450	0.749	0.914	0.395	0.510	0.901
Total	1.140	1.467	1.015	1.000	1.000	1.000

IHS Inflation Factors for SFY22 Rates

Table A

Inflation to SFY21		2019Q4 IHS/Global Insight			
Cost Center	Calendar Year Quarters for 2019 C.R. End				
	1st	2nd	3rd	4th	
DC-Wages	1.081	1.070	1.059	1.049	
DC-Fringes	1.073	1.066	1.061	1.055	
DC-Supply	1.045	1.040	1.035	1.030	
DC-P.Serv.	1.064	1.057	1.050	1.044	
Supp Serv	1.061	1.053	1.046	1.040	

<- Inflation factors for SFY21 rates (2019 CR period to SFY21, using 2019Q4 IHS factors)

Table B

Inflation to SFY21		2021Q1 IHS/Global Insight			
Cost Center	Calendar Year Quarters for 2019 C.R. End				
	1	2	3	4	
DC-Wages	1.112	1.101	1.089	1.079	
DC-Fringes	1.106	1.098	1.093	1.080	
DC-Supply	1.036	1.032	1.027	1.022	
DC-P.Serv.	1.055	1.048	1.041	1.034	
Supp Serv	1.081	1.073	1.065	1.057	

Inflation correction to SFY21				
Calendar Year Quarters for 2019 C.R. End				
	1	2	3	4
	1.029	1.029	1.028	1.028
	1.030	1.030	1.030	1.024
	0.992	0.992	0.993	0.992
	0.991	0.991	0.991	0.990
	1.018	1.019	1.018	1.016

<- Table B / Table A

Table C

Inflation to SFY22		2021Q1 IHS/Global Insight			
Cost Center	Calendar Year Quarters for 2019 C.R. End				
	1	2	3	4	
DC-Wages	1.140	1.129	1.117	1.106	
DC-Fringes	1.129	1.121	1.116	1.103	
DC-Supply	1.061	1.056	1.052	1.046	
DC-P.Serv.	1.087	1.080	1.073	1.066	
Supp Serv	1.108	1.100	1.092	1.084	

Inflation from SFY21 to SFY22				
Calendar Year Quarters for 2019 C.R. End				
	1	2	3	4
	1.025	1.025	1.025	1.025
	1.021	1.021	1.021	1.021
	1.024	1.024	1.024	1.024
	1.031	1.031	1.031	1.031
	1.025	1.025	1.025	1.025

<- Table C / Table B

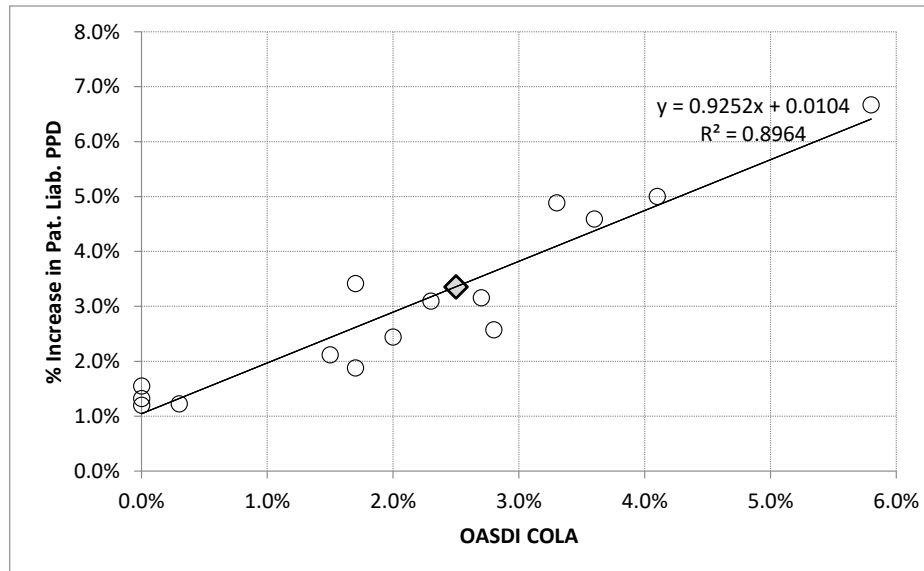
Inflation correction & Addl. Inflation from SFY21 to SFY22				
Calendar Year Quarters for 2019 C.R. End				
	1	2	3	4
	1.055	1.055	1.055	1.054
	1.052	1.052	1.052	1.045
	1.015	1.016	1.016	1.016
	1.022	1.022	1.022	1.021
	1.044	1.044	1.044	1.042

<- Table C / Table A

WI Medicaid FFS Nursing Home Non-DD In-House Patient Liability History

Cal. Year	PDs	Census	Paid	Paid PPD	Pat Liab	PL PPD	Total PPD	PL PPM	Inc. PL PPM	% Inc.	COLA*	PL%
2004	8,188,381	22,373	823,307,575	100.55	200,581,440	24.50	125.04	747.12				19.6%
2005	7,912,599	21,678	802,885,169	101.47	200,484,314	25.34	126.81	770.68	23.55	3.2%	2.7%	20.0%
2006	7,649,363	20,957	780,357,119	102.02	203,499,483	26.60	128.62	809.19	38.51	5.0%	4.1%	20.7%
2007	7,270,090	19,918	753,115,272	103.59	202,857,270	27.90	131.49	848.72	39.53	4.9%	3.3%	21.2%
2008	6,954,760	19,002	752,099,999	108.14	199,518,777	28.69	136.83	874.99	26.27	3.1%	2.3%	21.0%
2009	6,685,233	18,316	765,947,444	114.57	205,136,689	30.69	145.26	933.34	58.35	6.7%	5.8%	21.1%
2010	6,351,327	17,401	762,688,776	120.08	195,338,748	30.76	150.84	935.48	2.15	0.2%	0.0%	20.4%
2011	5,814,551	15,930	699,371,154	120.28	176,392,603	30.34	150.62	922.73	(12.75)	-1.4%	0.0%	20.1%
2012	5,637,255	15,402	689,954,268	122.39	178,376,489	31.64	154.03	965.09	42.36	4.6%	3.6%	20.5%
2013	5,269,199	14,436	659,590,470	125.18	170,320,347	32.32	157.50	983.18	18.09	1.9%	1.7%	20.5%
2014	5,049,850	13,835	642,900,559	127.31	166,683,901	33.01	160.32	1,003.98	20.80	2.1%	1.5%	20.6%
2015	4,692,526	12,856	603,797,279	128.67	160,176,351	34.13	162.81	1,038.25	34.27	3.4%	1.7%	21.0%
2016	4,462,276	12,192	578,685,783	129.68	153,900,857	34.49	164.17	1,051.92	13.67	1.3%	0.0%	21.0%
2017	4,103,917	11,244	548,809,633	133.73	143,661,097	35.01	168.73	1,064.76	12.84	1.2%	0.3%	20.7%
2018	3,804,421	10,423	527,522,900	138.66	136,427,593	35.86	174.52	1,090.75	25.99	2.4%	2.0%	20.5%
2019	3,499,443	9,588	510,598,605	145.91	128,717,110	36.78	182.69	1,118.79	28.04	2.6%	2.8%	20.1%
2020	3,078,103	8,410	478,904,084	155.58	109,153,506	35.46	191.05	1,081.57	(37.22)	-3.3%	1.6%	18.6%
2021 (Feb-May)	867,101	7,226	137,090,290	158.10	32,021,357	36.93	195.03	1,107.88	26.31	2.4%	1.3%	18.9%
2022 (est)						37.64		1,145.02	37.15	3.4%	2.5%	

Year	COLA*	PL % Inc
2004 to 2005	2.7%	3.2%
2005 to 2006	4.1%	5.0%
2006 to 2007	3.3%	4.9%
2007 to 2008	2.3%	3.1%
2008 to 2009	5.8%	6.7%
2009 to 2010	0.0%	1.2%
2010 to 2011	0.0%	1.5%
2011 to 2012	3.6%	4.6%
2012 to 2013	1.7%	1.9%
2013 to 2014	1.5%	2.1%
2014 to 2015	1.7%	3.4%
2015 to 2016	0.0%	1.3%
2016 to 2017	0.3%	1.2%
2017 to 2018	2.0%	2.4%
2018 to 2019	2.8%	2.6%
2019 to 2020	1.6%	#N/A
2020 to 2021**	1.3%	#N/A
2021 to 2022	2.5%	3.4%



SFY	PL PPM	Chg PPM	CHG PPD
2005	\$ 759		
2006	790	\$ 31.03	\$ 1.02
2007	829	39.02	1.28
2008	862	32.90	1.08
2009	904	42.31	1.39
2010	934	30.25	0.99
2011	929	(5.30)	(0.17)
2012	944	14.81	0.49
2013	974	30.22	0.99
2014	994	19.44	0.64
2015	1,021	27.54	0.91
2016	1,045	23.97	0.79
2017	1,058	13.25	0.44
2018	1,078	19.41	0.64
2019	1,105	27.01	0.89
2020	1,100	(4.59)	(0.15)
2021	1,095	(5.46)	(0.18)
2022	\$ 1,126	\$ 31.73	\$ 1.04

* www.ssa.gov/cgi-bin/bri.cgi

SFY22 Medicaid Nursing Home Rate Model Scenarios

Scen	Description
1	SFY21 average rates (which are based on SFY21 average acuity) applied to projected SFY22 PDs
2	Apply SFY21 rate formula to CRs to be used in setting SFY22 rates (2019 for DC, 2020 for other allowances); update IHS inflation factors to inflate CR period costs to SFY22 (rather than to SFY21); continue using SFY21 acuity
3	Update acuity from SFY21 to SFY22 (assuming current RUG system throughout SFY22)
4	Update BehCI Access and Improvement scores to 12/31/2020
5	Remove acuity lag from SFY22 quarter C/D rates (continue using RUGs throughout SFY22)
6	Update from RUG to PDPM acuity for quarters C/D (should be zero expenditure change)
7	Update vent rate and TBI rate, if TBI is included in model
8	Apply any RUG-to-PDPM phase-in or hold-harmless adjustments to quarter C/D rates
9	Increase BehCI Access and Improvement bases to match prior year BehCI incentive gross expenditures
10	Update labor factors (if needed)
11	Remove current EMMUA and other small-facility provisions in rate formula
12	Implement new EMMUA incentive
13	Other non-base rate formula changes
14	Increase base values