Table of Contents

State/Territory Name: New York

State Plan Amendment (SPA) #: 18-0002

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH AND HUMAN SERVICES Centers for Medicare & Medicaid Services 7500 Security Boulevard, Mail Stop S2-26-12 Baltimore, MD 21244-1850



Financial Management Group

Ms. Donna Frescatore State Medicaid Director Office of Health Insurance Programs NYS Department of Health One Commerce Plaza, Suite 1211 Albany, NY 12210

JUL 18 2018

RE: State Plan Amendment (SPA) TN 18-0002

Dear Ms. Frescatore:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State Plan submitted under transmittal number (TN) 18-0002. Effective April 1, 2018, this amendment proposes to continue a pay for performance quality incentive payment program for non-specialty nursing facilities and a related proportional rate reduction.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30) and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR Part 447. This letter is to inform you that New York 18-0002 is approved effective April 1, 2018. The CMS-179 and approved plan pages are enclosed.

If you have any questions, please contact Betsy Pinho at 518-396-3810.

Sincerely,



Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF	1. TRANSMITTAL NUMBER:	2. STATE		
STATE PLAN MATERIAL	18-0002	7		
TOD WELL THE CARD PART NOTICE AND THE COMPANY OF TH	New York			
FOR: HEALTH CARE FINANCING ADMINISTRATION	3. PROGRAM IDENTIFICATION: TIT			
	SOCIAL SECURITY ACT (MEDIC	CAID)		
TO: REGIONAL ADMINISTRATOR	4. PROPOSED EFFECTIVE DATE			
HEALTH CARE FINANCING ADMINISTRATION	April 1, 2018			
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
5. TYPE OF PLAN MATERIAL (Check One):				
☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONS	DERED AS NEW PLAN	AMENDMENT		
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMEND	MENT (Separate Transmittal for each am	endment)		
6. FEDERAL STATUTE/REGULATION CITATION:	7. FEDERAL BUDGET IMPACT: (in t	thousands)		
§1902(r)(5) of the Social Security Act, and 42 CFR 447	a. FFY 04/01/18-09/30/18 \$ 0.00			
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	9. PAGE NUMBER OF THE SUPERSE			
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	110(d)(26)	(-)()		
10. SUBJECT OF AMENDMENT:	L.,			
Nursing Home Quality Incentive Changes				
(FMAP = 50%)				
11. GOVERNOR'S REVIEW (Check One):				
S GOVERNOR'S OFFICE REPORTED NO COMMENT	OTHER, AS SPECI	FIED:		
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED				
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New York 110(d)(21)

The New York State Nursing Home Quality Pool (NHQP) is an annual budget-neutral pool of \$50 million dollars. The intent of the NHQP is to incentivize Medicaid-certified nursing facilities across New York State to improve the quality of care for their residents, and to reward facilities for quality based on their performance. The set of measures used to evaluate nursing homes are part of the Nursing Home Quality Initiative (NHQI). The performances of facilities in the NHQI determine the distribution of the funds in the NHQP.

For the calendar year [2017] 2018, the Commissioner will calculate a score and quintile ranking based on data from the [2016] 2017 calendar year (January 1, [2016] 2017 through December 31, [2016] 2017), for each non-specialty facility. The score will be calculated based on measurement components comprised of Quality, Compliance, and Efficiency Measures. These measurement components and their resulting score and quintile ranking will be referred to as the Nursing Home Quality Initiative. From the NHQI, the Commissioner will exclude specialty facilities consisting of non-Medicaid facilities, Special Focus Facilities as designated by the Centers for Medicare and Medicaid Services (CMS), Continuing Care Retirement Communities, Transitional Care Units, specialty facilities, and specialty units within facilities. Specialty facilities and specialty units shall include AIDS facilities or discrete AIDS units within facilities, facilities or discrete units within facilities for residents receiving care in a long-term inpatient rehabilitation program for traumatic brain injured persons, facilities or discrete units within facilities that provide specialized programs for residents requiring behavioral interventions, facilities or discrete units within facilities for long-term ventilator dependent residents, facilities or discrete units within facilities that provide services solely to children, and neurodegenerative facilities or discrete neurodegenerative units within facilities. The score for each such non-specialty facility will be calculated using the following Quality, Compliance, and Efficiency Measures.

Qu	ality Measures	Measure Steward
1	Percent of Long Stay High Risk Residents With Pressure Ulcers (As Risk Adjusted by the Commissioner)	CMS
2	Percent of Long Stay Residents Who Received the Pneumococcal Vaccine	CMS
3	Percent of Long Stay Residents Who Received the Seasonal Influenza Vaccine	CMS
4	Percent of Long Stay Residents Experiencing One or More Falls with Major Injury	CMS
5	Percent of Long Stay Residents Who have Depressive Symptoms	CMS
6	Percent of Low Risk Long Stay Residents Who Lose Control of Their Bowels or Bladder	CMS
7	Percent of Long Stay Residents Who Lose Too Much Weight (As Risk Adjusted by the Commissioner)	CMS

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TN	#18-0002	Approval Date	""" 9. 20 <u>2018</u>
Superse	des TN <u>#17-0036</u>	Effective Date	
			APR 1 - 2018

New York 110(d)(22)

8	Percent of Long Stay Antipsychotic Use in Persons with Dementia	Pharmacy Quality Alliance (PQA)
9	Percent of Long Stay Residents Who Self-Report Moderate to Severe Pain (As Risk Adjusted by the Commissioner)	CMS
10	Percent of Long Stay Residents Whose Need for Help with Daily Activities Has Increased	CMS
11	Percent of Long Stay Residents with a Urinary Tract Infection	CMS
12	Percent of Employees Vaccinated for Influenza	NYS DOH
13	Percent of Contract/Agency Staff Used	NYS DOH
14	Rate of Staffing Hours per Day	NYS DOH
	Compliance Measures	
15	CMS Five-Star Quality Rating for Health Inspections as of April 1, [2017] 2018 (By Region)	CMS
16	Timely Submission and Certification of Complete [2016] <u>2017</u> New York State Nursing Home Cost Report to the Commissioner	NYS DOH
17	Timely Submission of Employee Influenza Immunization Data for the September 1, [2016] 2017 - March 31, [2017] 2018 Influenza Season by the deadline of May 1, [2017] 2018	NYS DOH
	Efficiency Measure	
18	Rate of Potentially Avoidable Hospitalizations for Long Stay Residents January 1, [2016] <u>2017</u> – December 31, [2016] <u>2017</u> (As Risk Adjusted by the Commissioner)	NYS DOH

The maximum points a facility may receive for the Quality Component is 70. The applicable percentages or ratings for each of the 14 measures will be determined for each facility. Two measures will be awarded points based on threshold values. The remaining 12 measures will be ranked and grouped by quintile with points awarded as follows:

Scoring for 12 Quality Measures		
Quintile	Points	
1 st Quintile	5	
2 nd Quintile	3	
3 rd Quintile	1	
4th Quintile	0	
5 th Quintile	0	

Note: The following quality measures will not be ranked into quintiles and points will be awarded based on threshold values:

- Percent of employees vaccinated for influenza: facilities will be awarded five points if the rate is 85% or higher, and zero points if the rate is less than 85%.
- Percent of contract/agency staff used: facilities will be awarded five points if the rate is less than 10%, and zero points if the rate is 10% or higher.

TN #18-0002	Approval Date	JUL 18 2018
Supersedes TN #17-0036	Effective Date	APR 1 - 20

New York 110(d)(22.2)

Percent of Contract/Agency Staff Used (based on threshold)

The remaining 12 quality measures that are eligible for improvement points are listed below:

- Percent of Long Stay High Risk Residents With Pressure Ulcers
- Percent of Long Stay Residents Experiencing One or More Falls with Major Injury
- Percent of Long Stay Residents Who have Depressive Symptoms
- Percent of Low Risk Long Stay Residents Who Lose Control of Their Bowels or Bladder
- Percent of Long Stay Residents Who Lose Too Much Weight
- Percent of Long Stay Residents Who Self-Report Moderate to Severe Pain
- Percent of Long Stay Residents Whose Need for Help with Daily Activities Has Increased
- Percent of Long Stay Residents with a Urinary Tract Infection
- Percent of Long Stay Residents Who Received the Seasonal Influenza Vaccine
- Percent of Long Stay Antipsychotic Use in Persons with Dementia
- Percent of Long Stay Residents Who Received the Pneumococcal Vaccine
- · Rate of Staffing Hours per Day

The grid below illustrates the method of awarding improvement points.

	[2	2016] <u>201</u> 7	<u>/</u> Performa	nce		
	Quintiles	1 (best)	2	3	4	5
	1 (best)	5	5	5	5	5
[2017] <u>2018</u> Performance	2	3	3	4	4	4
	3	1	1	1	2	2
	4	0	0	0	0	1
	5	0	0	0	0	0

For example, if [2016] <u>2017</u> NHQI performance is in the third quintile, and [2017] <u>2018</u> NHQI performance is in the second quintile, the facility will receive four points for the measure. This is three points for attaining the second quintile and one point for improvement from the previous year's third quintile.

Risk Adjustment of Quality Measures

The following quality measures will be risk adjusted using the following covariates as reported in the MDS 3.0 data to account for the impact of individual risk factors:

- Percent of Long Stay Residents Who Self-Report Moderate to Severe Pain: the covariate includes cognitive skills for daily decision making on the prior assessment.
- Percent of Long Stay High Risk Residents with Pressure Ulcers: The covariates include gender, age, healed pressure ulcer since the prior assessment, BMI, prognosis of less than six months of life expected, diabetes, heart failure, deep vein thrombosis, anemia, renal failure, hip fracture, bowel incontinence, cancer, paraplegia, and quadriplegia.

TN#:	L8-0002	Approval Date	JUL 1 8 2016
Supersedes TN	#17-0036	Effective Date	APR y - 2018

New York 110(d)(23)

The maximum points a facility may receive for the Compliance Component is 20 points. Points shall be awarded as follows:

Scoring for Compliance Measures			
CMS Five-Star Quality Rating for Health Inspections (By Region)	Points		
5 Stars	10		
4 Stars	7		
3 Stars	4		
2 Stars	2		
1 Star	0		
Timely Submission and Certification of Complete [2016] 2017 New York State Nursing Home Cost Report to the Commissioner	5 (Facilities that fail to submit a timely, certified, and complete cost report will receive zero points)		
Timely Submission of Employee Influenza Immunization Data	5 for the May 1, [2017] 2018 deadline (Facilities that fail to submit timely influenza data by the deadline will receive zero points)		

CMS Five-Star Quality Rating for Health Inspections

The CMS Five-Star Quality Rating for Health Inspections as of April 1, [2017] 2018 will be adjusted by region. This is not a risk adjustment. For eligible New York State nursing homes, the health inspection scores from CMS will be stratified by region. Cut points for health inspection scores within each region will be calculated using the CMS 10-70-20% distribution method. Per CMS' methodology, the top 10% of nursing homes receive five stars. The middle 70% receive four, three, or two stars, with an equal percentage (~23.33%) receiving four, three, or two stars. The bottom 20% receive one star. Each nursing home will be awarded a star rating based on the health inspection score cut points specific to its region. Regions include the Metropolitan Area (MARO), Western New York (WRO), Capital District (CDRO), and Central New York (CNYRO). Regions are defined by the New York State Health Facilities Information System (NYS HFIS). The counties within each region are shown below.

Metropolitan Area Regional Offices (MARO): Bronx, Dutchess, Kings, Nassau, New York, Orange, Putnam, Queens, Richmond, Rockland, Suffolk, Sullivan, Ulster, and Westchester.

Central New York Regional Offices (CNYRO): Broome, Cayuga, Chenango, Cortland, Herkimer, Jefferson, Lewis, Madison, Oneida, Onondaga, Oswego, Saint Lawrence, Tioga, and Tompkins.

Capital District Regional Offices (CDRO): Albany, Clinton, Columbia, Delaware, Essex, Franklin, Fulton, Greene, Hamilton, Montgomery, Otsego, Rensselaer, Saratoga, Schenectady, Schoharie, Warren, and Washington.

TN #18-0002	Approval Date	JUL 18 2018
Supersedes TN #17-0036	Effective Date	APR 1 2018

New York 110(d)(25)

Electrolyte imbalance	E860, E861, E869, E870, E871, E872, E873, E874, E875, E876, E878
Connective heart failure	····
Congestive heart failure	10981, 1501, 15020, 15021, 15022,
	I5023, I5030, I5031, I5032, I5033,
	<u>I5040, I5041, I5042, I5043, I509</u>
Anemia	D500, D501, D508, D509, D510,
	D511, D513, D518, D520, D521,
·	D528, D529, D530, D531, D532,
	D538, D539, D62, D638

Reduction of Points Base: When the number of long stay residents that contribute to the denominator of the potentially avoidable hospitalization measure is less than 30, the number of points the measure is worth will be reduced from the base of 100 maximum NHQI points. The nursing home's total score will be the sum of its points divided by the base.

The following rate adjustments, which will be applicable to the [2017] <u>2018</u> calendar year, will be made to fund the NHQP and to make payments based upon the scores calculated from the NHQI as described above.

- Each non-specialty facility will be subject to a Medicaid rate reduction to fund the NHQI, which will be calculated as follows:
- For each such facility, Medicaid revenues, calculated by multiplying each facility's promulgated rate in effect for such period by reported Medicaid days, as reported in a facility's [2016] 2017 cost report, will be divided by total Medicaid revenues of all non-specialty facilities. The result will be multiplied by the \$50 million dollars, and divided by each facility's most recently reported Medicaid days. If a facility fails to submit a timely filed [2016] 2017 cost report, the most recent cost report will be used.
- The total scores as calculated above for each such facility will be ranked and grouped by quintile. Each of the top three quintiles will be allocated a share of the \$50 million NHQI and each such facility within such top three quintiles will receive a payment. Such payments will be paid as a per diem adjustment for the [2017] 2018 calendar year. Such shares and payments will be calculated as follows:

TN	#18-0002	Approval Date	.// 1 8 2018
Supersed	es TN <u>#17-0036</u>	Effective Date	APR 1 - 2018

New York 110(d)(25.1)

Distribution of NHQP Payments						
Facilities Grouped by Quintile	A Facility's Medicaid Revenue Multiplied by Award Factor	B Share of \$50 Million NHQI Allocated to Facility	C Facility Per Diem Quality Payment			
1 st Quintile	Each facility's [2016] 2017 Medicaid days multiplied by [2017] 2018 Medicaid Rate as of January 1, [2017] 2018 = Total Medicaid Revenue multiplied by an award factor of 3	Each facility's column A Divided by Sum of Total Medicaid Revenue for all facilities, Multiplied by \$50 million	Each facility's column B divided by the facility's [2016] <u>2017</u> Medicaid days			
2 nd Quintile	Each facility's [2016] 2017 Medicaid days multiplied by [2017] 2018 Medicaid Rate as of January 1, [2017] 2018 = Total Medicaid Revenue multiplied by an award factor of 2.25	Each facility's column A Divided by Sum of Total Medicaid Revenue for all facilities, Multiplied by \$50 million	Each facility's column B divided by the facility's [2016] <u>2017</u> Medicaid days			
3 rd Quintile	Each facility's [2016] 2017 Medicaid days multiplied by [2017] 2018 Medicaid Rate as of January 1, [2017] 2018 = Total Medicaid Revenue multiplied by an award factor of 1.5	Each facility's column A Divided by Sum of Total Medicaid Revenue for all facilities, Multiplied by \$50 million	Each facility's column B divided by the facility's [2016] <u>2017</u> Medicaid days			
Total	Sum of Total Medicaid Revenue for all facilities	Sum of quality pool funds: \$50 million				

[Payments made pursuant to this program will be subject to this rate adjustment and will be reconciled using actual Medicaid claims data.]

TN #18-0002	Approval Date	JUL 1 8 2018
Supersedes TN #17-0036	Effective Date	
		APR 1 - 201R

New York 110(d)(26)

The following facilities will not be eligible for [2017] 2018 payments and the scores of such facilities will not be included in determining the share of the NHQP payments:

• A facility with health inspection survey deficiency data showing a level J/K/L deficiency during the time period of July 1, [2016] 2017 through June 30, [2017] 2018. Deficiencies will be reassessed on October 1, [2017] 2018 to allow a three-month window (after the June 30, [2017] 2018 cutoff date) for potential Informal Dispute Resolutions (IDR) to process. The deficiency data will be updated to reflect IDRs occurring between July 1, [2017] 2018 and September 30, [2017] 2018. Any new J/K/L deficiencies between July 1, [2017] 2018 and September 30, [2017] 2018 will not be included in the [2017] 2018 NHQI.

TN	#18-0002	Approval Date	JUL 18 2018
Supersedes	TN #17-0036	Effective Date	APR 1 - 201