



Department of Health

ANDREW M. CUOMO
Governor

HOWARD A. ZUCKER, M.D., J.D.
Commissioner

LISA J. PINO, M.A., J.D.
Executive Deputy Commissioner

December 29, 2020

Dear Administrator,

This letter provides you with information regarding the implementation of the Nursing Home Quality Pool (NHQP) and the 1% supplemental payments for your nursing home.

The NHQP is an annual budget-neutral pool that was established in accordance with section 2802(2-c)(d) of the Public Health Law. The amount of the pool is \$50 million and was created to incentivize nursing homes across New York State to improve the quality of care for their residents, and to reward homes for quality based on their performance.

The 1% supplemental (\$140 million) to all nursing facilities was included in the 2020-2021 Enacted State budget. Additionally, a portion of last year's 1% calculation was reconciled to incorporate the recently submitted 2019 Cost Report days.

The NHQP and the 1% supplemental payments will be paid in the same Medicaid cycle. If funds are owed for the NHQP, then the 1% payment will be used to offset those funds owed. If the 1% is not sufficient to cover the NHQP amount, the Medicaid cycle payments will be subject to a 15% recoupment until the balance is paid in full. Additionally, the 1% supplemental payments will be reduced for any liabilities owed to the State and these providers will receive a "paper" check as opposed to a direct deposit.

The processing for the NHQP and 1% supplemental payment will take effect in cycle 2262, with a check release date of 1/13/2021.

Should you have any questions regarding these payments please email NFRATES@health.ny.gov and someone will respond to your inquiry.

Sincerely,

A handwritten signature in black ink that reads "Laura Rosenthal".

Laura Rosenthal
Director
Bureau of Residential Health Care Reimbursement
Division of Finance and Rate Setting
Office of Health Insurance Programs

Attachment

ATTACHMENT A
Nursing Home Quality Pool Award 2019

- Each nursing home was ranked into 5 quintiles by utilizing the methodology as set forth by the State. The methodology and individual nursing home quintile rankings can be found on this link:
https://www.health.ny.gov/health_care/medicaid/redesign/nursing_home_quality_initiative.htm

- To fund the \$50 million pool, EVERY nursing home's contribution is calculated as follows:

$$\frac{\text{Calendar Year Promulgated Rate} \times \text{MA Days}}{\text{Statewide NH Total MA Revenue}} \times \$50,000,000$$

- Only facilities who are ranked in quintiles 1, 2 or 3 will receive a share of the \$50 million NHQP. The distribution method is as follows:
 - Award Amounts:
 - Quintile 1: MA Revenue x 3
 - Quintile 2: MA Revenue x 2.25
 - Quintile 3: MA Revenue x 1.5
 - Share of the \$50 million award:

$$\frac{\text{Quintile 1, 2, or 3 Award Amount}}{\text{Total of Statewide Awards}} \times \$50,000,000$$

- Facilities who receive a J/K/L Health Inspection Deficiency receive no award, regardless of their Quintile scoring

For the summary and calculation of the NHQP for 2019 and the other supporting calculations, please refer to:

https://www.health.ny.gov/facilities/long_term_care/reimbursement/nhr/