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State/Territory Name: New York

State Plan Amendment (SPA) #: 20-0007

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

May 12, 2020

Donna Frescatore
Medicaid Director
NYS Department of Health
One Commerce Plaza
Suite 1211
Albany, NY 12210

Reference: TN 20-0007

Dear Ms Frescatore:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 20-0007. This amendment proposes to continue New York's pay for performance quality incentive payment program for non-specialty nursing facilities (NFs).

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1923 and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C.

This is to inform you that Medicaid State plan amendment 20-0007 is approved effective January 1, 2020. The CMS-179 and the amended plan page(s) are attached.



If you have any additional questions or need further assistance, please contact Charlene Holzbaaur at 609-882-4796 or Charlene.Holzbaaur@cms.hhs.gov.

Sincerely,

A solid black rectangular box redacting the signature of Kristin Fan.

Kristin Fan
Director

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER 2 0 - 0 0 0 7	2. STATE New York
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE January 01, 2020	
5. TYPE OF PLAN MATERIAL (Check One)			
<input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION §1902(r)(5) of the Social Security Act, and 42 CFR		7. FEDERAL BUDGET IMPACT a. FFY 01/01/20-09/30/20 \$ 0.00 b. FFY 10/01/20-09/30/21 \$ 0.00	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4, 19-D Part I Pages: 110(d)(22), 110(d)(22.1), 110(d)(22.2), 110(d)(22.3), 110(d)(24), 110(d)(25)		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4, 19-D Part I Pages: 110(d)(22), 110(d)(22.1), 110(d)(22.2), 110(d)(22.3), 110(d)(24), 110(d)(25)	
10. SUBJECT OF AMENDMENT Nursing Home Quality Care Incentive Changes (EMAP=50%)			
11. GOVERNOR'S REVIEW (Check One)			
<input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL 		16. RETURN TO: New York State Department of Health Division of Finance and Rate Setting 99 Washington Ave - One Commerce Plaza Suite 1432 Albany, NY 12210	
13. TYPED NAME Dorina Frescatore			
14. TITLE Medicaid Director, Department of Health			
15. DATE SUBMITTED March 27, 2020			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED March 27, 2020		18. DATE APPROVED 05/12/20	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL January 1, 2020		20. SIGNATURE OF REGIONAL OFFICIAL 	
21. TYPED NAME Kristin Fan		22. TITLE Director, FMG	
23. REMARKS			

**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 Resident per Day	NYS DOH
Compliance Measures		
15	CMS Five-Star Quality Rating for Health Inspections as of April 1 of the NHQI year (By Region)	CMS
16	Timely Submission and Certification of Complete New York State Nursing Home Cost Report to the Commissioner for the MDS year	NYS DOH
17	Timely Submission of Employee Influenza Immunization Data for the September 1 of the MDS year - March 31 of the NHQI year Influenza Season by the deadline of May 1 of the NHQI year	NYS DOH
Efficiency Measure		
18	Rate of Potentially Avoidable Hospitalizations for Long Stay Residents January 1 of the MDS year – December 31 of the MDS year (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 measures will be awarded points based on quintile values or threshold values.

For quintile-based measures, the measures will be ranked and grouped by quintile with points awarded as follows: [The remaining 12 measures will be ranked and grouped by quintile with points awarded as follows:]

Scoring for [12] quintile-based Quality Measures	
Quintile	Points
1 st Quintile	5
2 nd Quintile	3
3 rd Quintile	1
4 th 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:]

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**New York
110(d)(22.1)**

For threshold-based measures, the points will be awarded based on threshold values. The threshold-based measures are:

- 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.
- Percent of Long Stay Residents Experiencing One or More Falls with Major Injury: facilities will be awarded five points if the rate is equal to or less than 5%, and zero points if the rate is greater than 5%.
- Percent of Long Stay Residents Who Self-Report Moderate to Severe Pain: facilities will be awarded five points if the rate is equal to or less than 5%, and zero points if the rate is greater than 5%.
- Percent of Long Stay Residents with a Urinary Tract Infection: facilities will be awarded five points if the rate is equal to or less than 5%, and zero points if the rate is greater than 5%.

Rate of Staffing Hours per Resident per Day

NYS DOH will calculate an annualized adjusted rate of staffing hours per resident per day using staffing information downloaded from the Centers for Medicare & Medicaid Services (CMS) appropriate for that year. The staffing information is based on Payroll Based Journal Public Use Files (PBJ PUFs). PBJ PUFs are public data sets prepared by the [Centers for Medicare & Medicaid Services] [(CMS)]. [PBJ PUFs have daily data on nursing home staffing levels]. For this measure, staffs are defined as RNs, LPNs, and Aides. The rate of reported staffing hours and the rate of case-mix staffing hours will be taken from the staffing information [PBJ PUFs] and the adjusted rate of staffing hours will be calculated using the formula below.

Rate Adjusted = (Rate Reported/Rate Case-Mix) * Statewide average

Awarding for Improvement

Nursing homes will be awarded improvement points from previous years' performance in selected measures in the Quality Component only. One improvement point will be awarded for a nursing home that improves in its quintile for a specific quality measure, compared to its quintile in the previous year for that quality measure. Nursing homes that obtain the top quintile in a quality measure will not receive an improvement point because maximum points per measure cannot exceed five. The [three] threshold-based quality measures below will not be eligible to receive improvement points:

- Percent of Employees Vaccinated for Influenza [(based on threshold)]
- Percent of Long Stay Residents Experiencing One or More Falls with Major Injury
- Percent of Long Stay Residents Who Self-Report Moderate to Severe Pain
- Percent of Long Stay Residents With a Urinary Tract Infection

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110(d)(22.2)**

- Percent of Contract/Agency Staff Used [(based on threshold)]
- [Rate of Staffing Hours per Day]

The [remaining 11] quintile-based 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 Resident Per Day

The grid below illustrates the method of awarding improvement points.

MDS year Performance						
NHQI year Performance	Quintiles	1 (best)	2	3	4	5
	1 (best)	5	5	5	5	5
	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 MDS year performance is in the third quintile, and NHQI year 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.

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110(d)(22.3)**

- Percent of Long Stay Residents Who Lose Too Much Weight: The covariates include age, hospice care, cancer, renal failure, prognosis of less than six months of life expected.

For these three measures the risk adjusted methodology includes the calculation of the observed rate; that is the facility's numerator-compliant population divided by the facility's denominator.

The expected rate is the rate the facility would have had if the facility's patient mix was identical to the patient mix of the state. The expected rate is determined through the risk-adjusted model and follows the CMS methodology found in the MDS 3.0 Quality Measures User's Manual, Appendix A-1.

The facility-specific, risk-adjusted rate is the ratio of observed to expected measure rates multiplied by the overall statewide measure rate.

Reduction of Points Base: When a quality measure is not available for a nursing home, 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. This reduction can happen in the following scenario[s]:

- [When nursing homes do not have enough cost report data to calculate a percent of contract/agency staff used or the rate of staffing hours per day; or]
- When a quality measure has a denominator of less than 30

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110(d)(24)**

A potentially avoidable hospitalization is found by matching a discharge assessment in the MDS 3.0 data to its hospital record in SPARCS. The following primary ICD-10 diagnoses on the SPARCS hospital record are potentially avoidable:

Potentially Avoidable Hospitalization Condition	[ICD-10 codes]	Source of ICD-10-CM Codes
Respiratory infection	[A221, A3791, A481, B250, B440, J101, J1100, J111, J112, J1181, J1189, J120, J121, J122, J1281, J1289, J129, J13, J14, J150, J151, J1520, J15211, J15212, J1529, J153, J154, J155, J156, J157, J158, J159, J160, J168, J17, J180, J181, J189, J209, J690]	<u>MULTI CCS LVL 2 LABEL</u> <u>"Respiratory infections" *</u>
Sepsis	[A403, A409, A4101, A4102, A411, A412, A413, A414, A4150, A4151, A4152, A4153, A4159, A4189, A419, R6520, R6521]	<u>CCS category descriptions "Septicemia (except in labor)" and "Shock" (only "Severe sepsis with septic shock") *</u>
Urinary tract infection	[N10, N110, N118, N12, N151, N159, N16, N2884, N2885, N2886, N3000, N3001, N3010, N3011, N3020, N3021, N3030, N3031, N3080, N3081, N3090, N3091, N340, N35111, N37, N390, N410, N411, N412, N413, N414, N418, N419, N420, N421, N423, N4289, N429, N430, N431, N432, N433, N451, N452, N453, N454, N51]	<u>CCS category description "Urinary tract infections" *</u>

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**New York
110(d)(25)**

Electrolyte imbalance	[E860, E861, E869, E870, E871, E872, E873, E874, E875, E876, E878]	<u>CCS category description</u> "Fluid and electrolyte disorders" *
[Congestive] [h] Heart failure	[I0981, I501, I5020, I5021, I5022, I5023, I5030, I5031, I5032, I5033, I5040, I5041, I5042, I5043, I509]	<u>PQI 08 Heart Failure Admission Rate</u> †
Anemia	[D500, D501, D508, D509, D510, D511, D513, D518, D520, D521, D528, D529, D530, D531, D532, D538, D539, D62, D638]	<u>MULTI CCS LVL 2 LABEL</u> "Anemia" *

* From Healthcare Cost and Utilization Project (HCUP) Clinical Classifications Software (CCS) files found at https://www.hcup-us.ahrq.gov/tools_software.jsp

† Agency for Healthcare Research and Quality (AHRQ) Prevention Quality Indicators (PQI) https://www.qualityindicators.ahrq.gov/Downloads/Modules/PQI/V2019/TechSpecs/PQI_08_Heart_Failure_Admission_Rate.pdf

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 payments, which will be applicable to the NHQI 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 NHQI Year promulgated rate in effect for such period by reported Medicaid days, as reported in a facility's MDS Year 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 as reported in a facility's cost report of the MDS Year. If a facility fails to submit a timely filed cost report in the MDS Year, 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 lump sum payment outside of the Nursing Home rate for the NHQI Year. Such shares and payments will be calculated as follows:

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