

c. The Department will calculate each qualified county nursing facility's MDOI quarterly installment payment based on the following formula:

(i) The total funds allocated for the MDOI payments for the rate year will be divided by the total MA days for all county nursing facilities to determine the MDOI per diem for the rate year. The total MA days used for each county nursing facility will be the MA days identified on the most recent PROMISE data file used to determine the facility's eligibility for disproportionate share incentive payments. The state funds allocated for FYs 2006-2007, 2007-2008, 2008-2009, 2009-2010 and 2010-2011 are as follows:

FY - 2006-2007 - \$11,858,682

FY - 2007-2008 - \$12,330,822

FY - 2008-2009 - \$ 9,804,649

FY - 2009-2010 - \$13,868,883

FY - 2010-2011 - \$13,979,899

(ii) The MDOI per diem for the rate year will be multiplied by each qualified county nursing facility's paid MA days identified on the most recent PROMISE data file used to determine eligibility for disproportionate share incentive payments, to determine its annual MDOI amount.

(iii) Each qualified county nursing facility's annual MDOI amount will be divided by four to determine the facility's MDOI quarterly installment payments for the rate year.

d. The MDOI installment payments for each quarter of the rate year will be paid in the first month of the following quarter.

d. These payments will be made annually within 120 days after the submission of an acceptable MA cost report provided that in no case will payment be made before 210 days of the close of the county nursing facility fiscal year.

e. For the period July 1, 2005 to June 30, 2009, the disproportionate share incentive payment to qualified county nursing facilities shall be increased to equal two times the disproportionate share per diem incentive calculated in accordance with subparagraph c.

(i) For the period commencing July 1, 2005 through June 30, 2006, the increased incentive shall apply to MA cost reports filed for the fiscal period ending December 31, 2005 .

(ii) For the period commencing July 1, 2006 through June 30, 2007, the increased incentive shall apply to MA cost reports filed for the fiscal period ending December 31, 2006.

(iii) For the period commencing July 1, 2007 through June 30, 2008, the increased incentive shall apply to MA cost reports filed for the fiscal period ending December 31, 2007.

(iv) For the period commencing July 1, 2008 through June 30, 2009, the increased incentive shall apply to MA cost reports filed for the fiscal period ending December 31, 2008.

3. Pay for Performance Incentive Payment

For Fiscal Years 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011 and 2011-2012 pay for performance incentive payments will be made to qualifying county nursing facilities each quarter based on the following:

(i) *Qualifying criteria.* A county nursing facility will qualify for the pay for performance incentive if both of the following criteria are met:

(A) The facility is a county nursing facility at the time of payment.

(B) The facility's MA case mix index (CMI) for the picture date is higher than its facility MA CMI for the previous picture date.

<u>Pay for Performance Payment Period</u>	<u>Picture Date</u>	<u>Previous Picture Date</u>
July 1 - September 30	August 1	May 1
October 1 - December 31	November 1	August 1
January 1 - March 31	February 1	November 1
April 1 - June 30	May 1	February 1

(ii) *Payment formula.* The total quarterly funds available for the pay for performance incentive payment is divided by the total MA days for all county nursing facilities meeting the qualifying criteria. The MA days used for each county nursing facility will be the paid MA days identified on the most recent PROMISE data file used to determine eligibility for disproportionate share payments.

(iii) The total quarterly funds available for each quarter of FYs 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011 and 2011-2012 are \$1,625,000 per quarter.