

For rate years 2010-2011, 2011-2012 and 2012-2013, unless the nursing facility is a new nursing facility, the resident care rate used to establish each nursing facility's case-mix per diem rate will be a blended resident care rate.

(i) The facility's blended resident care rate for the 2010-2011 rate year will equal 75% of the facility's 5.01 resident care rate calculated in accordance with subparagraph (iv) plus 25% of the facility's 5.12 resident care rate calculated in accordance with subparagraph (iv).

(ii) The facility's blended resident care rate for the 2011-2012 rate year will equal 50% of the facility's 5.01 resident care rate calculated in accordance with subparagraph (v) and 50% of the facility's 5.12 resident care rate calculated in accordance with subparagraph (v).

(iii) The facility's blended resident care rate for the 2012-2013 rate year will equal 25% of the facility's 5.01 resident care rate calculated in accordance with subparagraph (v) and 75% of the facility's 5.12 resident care rate calculated in accordance with subparagraph (v).

(iv) For rate year 2010-2011 each nursing facility's blended resident care rate will be determined based on the following calculations.

(A) For the first quarter of the rate year (July 1, 2010 – September 30, 2010) the Department will calculate each nursing facility's blended resident care rate as follows:

(I) The Department will calculate a 5.12 resident care rate for each nursing facility in accordance with § 1187.96(a)(1)-(5) (relating to price and rate setting computations). The CMI values the Department will use to determine each nursing facility's total facility CMIs and facility MA CMI, computed in accordance with § 1187.93 (relating to CMI calculations), will be the RUG-III version 5.12 44 group values. The resident assessment that will be used for each resident will be the most recent classifiable resident assessment of any type.

(II) The Department will calculate a 5.01 resident care rate for each nursing facility in accordance with § 1187.96(a)(1)-(5) (relating to price and rate setting computations). The CMI values the Department will use to determine each nursing facility's total facility CMIs and facility MA CMI, computed in accordance with § 1187.93 (relating to CMI calculations), will be the RUG-III version 5.01 44 group values. The resident assessment that will be used for each resident will be the most recent comprehensive resident assessment.

(III) The nursing facility's blended resident care rate for the quarter beginning July 1, 2010 and ending September 30, 2010 will be the sum of the nursing facility's 5.01 resident care rate multiplied by 0.75 and the nursing facility's 5.12 resident care rate multiplied by 0.25.

(B) For the remaining three quarters of the 2010-2011 rate year (October 1 through December 31; January 1 through March 31; April 1 through June 30) the Department will calculate each nursing facility's blended resident care rate as follows:

(I) The Department will calculate a quarterly adjusted 5.12 resident care rate for each nursing facility in accordance with § 1187.96(a)(5) (relating to price and rate setting computations). The CMI values used to determine each nursing facility's MA CMI, computed in accordance with § 1187.93 (relating to CMI calculations), will be the RUG-III version 5.12 44 group values. The resident assessment that will be used for each resident will be the most recent classifiable resident assessment of any type.

(II) The Department will calculate a quarterly adjusted 5.01 resident care rate for each nursing facility by multiplying the facility's prior quarter 5.01 resident care rate by the percentage change between the facility's current quarter 5.12 resident care rate and the facility's previous quarter 5.12 resident care rate. The percentage change will be determined by dividing the facility's current quarter 5.12 resident care rate by the facility's previous quarter 5.12 resident care rate.

(III) The nursing facility's blended resident care rate for the three remaining quarters of the rate year will be the sum of the facility's quarterly adjusted 5.01 resident care rate multiplied by 0.75 and the facility's quarterly adjusted 5.12 resident care rate multiplied by 0.25.

(v) For rate years 2011-2012 and 2012-2013 each nursing facility's blended resident care rate will be determined based on the following calculations.

(A) For the first quarter of each rate year (July 1 -September 30) the Department will calculate each nursing facility's blended resident care rate as follows:

(I) The Department will calculate a 5.12 resident care rate for each nursing facility in accordance with § 1187.96(a)(1)-(5) (relating to price and rate setting computations). The CMI values used to determine each nursing facility's total facility CMIs and facility MA CMI, computed in accordance with § 1187.93 (relating to CMI calculations), will be the RUG-III version 5.12 44 group values. The resident assessment that will be used for each resident will be the most recent classifiable resident assessment of any type.

(II) The Department will calculate a 5.01 resident care rate for each nursing facility by multiplying the facility's prior April 1st quarter 5.01 resident care rate by the percentage change between the facility's current 5.12 resident care rate and the facility's prior April 1st quarter 5.12 resident care rate. The percentage change will be determined by dividing the facility's current 5.12 resident care rate by the facility's April 1st quarter 5.12 resident care rate.

(III) The nursing facility's blended resident care rate for the quarter beginning July 1, 2011 and ending September 30, 2011, will be the sum of the facility's 5.01 resident care rate multiplied by 0.50 and the facility's 5.12 resident care rate multiplied by 0.50.

(IV) The nursing facility's blended resident care rate for the quarter beginning July 1, 2012 and ending September 30, 2012, will be the sum of the facility's 5.01 resident care rate multiplied by 0.25 and the facility's 5.12 resident care rate multiplied by 0.75.

(B) For the remaining three quarters of each rate year (October 1 through December 31; January 1 through March 31; April 1 through June 30) the Department will calculate each nursing facility's blended resident care rate as follows:

(I) The Department will calculate a quarterly adjusted 5.12 resident care rate in accordance with § 1187.96(a)(5) (relating to price and rate setting computations). The CMI values used to determine each nursing facility's MA CMI, computed in accordance with § 1187.93 (relating to CMI calculations), will be the RUG-III version 5.12 44 group values. The resident assessment that will be used for each resident will be the most recent classifiable resident assessment of any type.

(II) The Department will calculate a quarterly adjusted 5.01 resident care rate for each nursing facility by multiplying the facility's prior quarter 5.01 resident care rate by the percentage change between the facility's current quarter 5.12 resident care rate and the facility's previous quarter 5.12 resident care rate. The percentage change will be determined by dividing the facility's current quarter 5.12 resident care rate by the facility's previous quarter 5.12 resident care rate.

(III) For the remaining three quarters of rate year 2011-2012 (October 1 through December 31; January 1 through March 31; April 1 through June 30) each nursing facility's blended resident care rate will be the sum of the facility's quarterly adjusted 5.01 resident care rate multiplied by 0.50 and the facility's quarterly adjusted 5.12 resident care rate multiplied by 0.50.

(IV) For the remaining three quarters of rate year 2012-2013 (October 1 through December 31; January 1 through March 31; April 1 through June 30) each nursing facility's blended resident care rate will be the sum of the facility's quarterly adjusted 5.01 resident care rate multiplied by 0.25 and the facility's quarterly adjusted 5.12 resident care rate multiplied by 0.75.

Beginning July 1, 2010, the Statewide average CMI assigned to a new nursing facility will be calculated using the RUG-III version 5.12 44 group values and the most recent classifiable assessment of any type. When a new nursing facility has submitted assessment data that is used in a rate determination the CMI values used to determine each nursing facility's total facility CMIs and facility MA CMI, computed in accordance with § 1187.93 (relating to CMI calculations), will be the RUG-III version 5.12 44 group values. The resident assessment that will be used for each resident will be the most recent classifiable assessment of any type.

Beginning with rate year 2013-2014, and thereafter, the Department will calculate each nursing facility's resident care rate in accordance with § 1187.96(a)(1)–(5) (relating to price and rate setting computations). The CMI values used to determine each nursing facility's total facility CMIs and facility MA CMI, computed in accordance with § 1187.93 (relating to CMI calculations), will be the RUG-III version 5.12 44 group values. The resident assessment that will be used for each resident will be the most recent classifiable resident assessment of any type.

STATE: COMMONWEALTH OF PENNSYLVANIA

(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 and 2011-2012 are \$1,625,000 per quarter.

(iv) For pay for performance payment periods beginning on or after July 1, 2010, in determining whether a county nursing facility qualifies for a quarterly pay for performance incentive payment, the facility's MA CMI for a picture date will equal the arithmetic mean of the individual CMIs for MA residents identified in the facility's CMI report for the picture date. An MA resident's CMI will be calculated using the RUG-III version 5.12 44 group values as set forth in Appendix A to Chapter 1187 (relating to nursing facility services) and the most recent classifiable assessment of any type.