



STATE OF MARYLAND

DHMH

Maryland Department of Health and Mental Hygiene

201 W. Preston Street • Baltimore, Maryland 21201

Martin O'Malley, Governor – Anthony G. Brown, Lt. Governor – Joshua M. Sharfstein, M.D., Secretary

MARYLAND MEDICAL ASSISTANCE PROGRAM**Nursing Home Transmittal No. 244****October 2, 2012****To:** Nursing Home Administrators

Susan J. Tucker
From: Susan J. Tucker, Executive Director
 Office of Health Services

Note: Please ensure that appropriate staff members in your organization are informed of the contents of this transmittal.

Re: 2012 Nursing Home Pay-for-Performance Scores

The purpose of this transmittal is to provide nursing facilities in Maryland with the 2012 pay-for-performance (P4P) results.

SB 101 from the 2007 legislative session authorized the Department to initiate a quality assessment on certain nursing facilities in Maryland, based on non-Medicare patient days of service, in order to restore reimbursement cuts to nursing facilities in the Medicaid program. In accordance with the legislation authorizing the Nursing Facility Quality Assessment, a portion of the revenue generated by the assessment shall be distributed to nursing facilities based on accountability measures that indicate quality care or a commitment to quality of care. Under the provisions of HB 782/SB 664 (2009), the P4P program is now fully implemented and funds are to be distributed in accordance with the model developed in collaboration with stakeholders.

Per SB 101, continuing care retirement communities and facilities with fewer than 45 beds are not subject to the quality assessment and, consequently, are not eligible for participation in P4P. Facilities that meet the following criteria during the 1-year period ending March 31, 2012 are excluded from P4P:

- (1) Identified by the federal Centers for Medicare and Medicaid Services as a special focus facility;
- (2) Denied payment for new admissions by the Department; or
- (3) Identified by the Department as delivering substandard quality of care.

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The quality measures used in P4P are as follows:

- Maryland Health Care Commission Family Satisfaction Survey (40%)
- Staffing Levels and Staff Stability in Nursing Facilities (40%)
- MDS Quality Indicators (16%)
- Employment of Infection Control Professional (2%)
- Staff Immunizations (2%)

Each facility will receive a composite score which will determine the facility's rank from each of the above quality measures. Under the current model, the highest scoring facilities representing 35 percent of the eligible days of care, receive a quality incentive payment. In addition, facilities that do not receive a P4P incentive payment, but whose scores have improved from the previous year, are eligible for pay-for-improvement.

Each Medicaid-enrolled nursing facility will receive an enclosure with this transmittal indicating its eligibility for P4P or pay-for-improvement. Eligible providers will receive a score on each of the quality measures, a total score, rank among eligible facilities and a projected award. Data are scored for facilities that are not eligible for P4P in order to provide performance feedback. The highest scoring facilities, representing 35 percent of the eligible days of care, will receive quality incentive payments within a payment range of \$5.14 to \$2.57 per Medicaid patient day. Pay-for-improvement amounts range from \$0.92 to \$0.46 per Medicaid patient day. These ranges will vary from year to year. In total, over \$5.8 million will be distributed between the P4P and pay-for-improvement programs.

Providers have 30 days from the date of this transmittal to review performance data. Please note that supplemental data cannot be submitted for inclusion in the P4P results. All P4P scores are based on data previously submitted to the Department by each provider.

If there are errors in the calculation of P4P results that require significant modifications to scoring or the award, an additional 30-day review period will be given to providers. It is anticipated that providers will receive a lump-sum payment in November 2012 based on this year's results.

Comments regarding this transmittal may be directed to Eric Saber at 410-767-1458 or by e-mail to eric.saber@maryland.gov.

Enclosure

cc: Nursing Home Liaison Committee