

SFY23 Compliance Report: Line Item 4000-0641

The Massachusetts state fiscal year (SFY) 2023 budget, Chapter 126 of the Acts of 2022, included an appropriation of \$56.25 million to fund rate add-on payments to nursing facilities “solely for the purpose of permissible direct care costs” and \$18.75 million to fund a supplemental payment to nursing facilities to promote quality improvement. The SFY23 budget also required the Executive Office of Health and Human Services (EOHHS) to submit a report to the House and Senate Committees on Ways and Means “detailing the methodologies used to distribute funds for said rate add-on and said supplemental payment to promote quality improvement.”

This report provides an update on implementation of this provision and includes a summary of the methodologies used to distribute the appropriated funds.

Implementation

In accordance with the SFY23 budget, EOHHS will distribute appropriated funds among nursing facilities through the following distribution method:

- \$56.25 million in the form of Direct Care add-on. Nursing facilities must use these funds for direct care staff wages, benefits, incentive payments, or other direct care compensation.
- \$18.75 million in the form of:
 - Payments for Quality Improvements through COVID-19 Preparedness. These payments are to help offset costs incurred by nursing facilities to prepare for the COVID-19 season, incentivize facilities to increase their COVID-19 vaccination rates, improve infection control, improve their staffing levels, administer COVID-19 therapeutics, including monoclonal antibodies and antiviral therapies.
 - Tracheostomy add-on. This add-on is to offset the additional costs of and improve the quality of care to nursing facility residents with tracheostomy
 - Temporary Resident add-on for pediatric patients. This add-on is to help offset substantial, upfront costs incurred by nursing facilities when admitting pediatric patients for a respite stay (less than 30 days) and to incentivize pediatric nursing facilities to prioritize more beds for such patients.

All of the above-mentioned payments became effective on October 1, 2022.

Methodologies

Direct Care Add-On

Effective October 1, 2022, the add-on is being applied in the form of an upward adjustment of 3.6386% to nursing standard rates and operating standard rates at each management minute category (MMQ).

Payments for Quality Improvements through COVID-19 Preparedness

As outlined in 101 CMR 206.00, a nursing facility will be eligible for a COVID-19 preparedness payment to be made upon verification of eligibility criteria described below.

Eligibility Criteria. A nursing facility will be eligible for a COVID-19 preparedness payment if the facility meets all of the following criteria:

1. The nursing facility
 - a. had an hours per patient day (HPPD) of 3.58 or higher in the most recent complete calendar quarter for which HPPD data is publicly available on the federal Payroll Based Journal dataset;

or

b. if the nursing facility's HPPD is below 3.58 in the most recent complete calendar quarter for which HPPD data is publicly available through the federal Payroll Based Journal dataset, the facility must demonstrate meaningful improvement, as defined by MassHealth through administrative bulletin or other written issuance, over the period of October 1, 2022, through June 30, 2023.

2. The nursing facility meets a minimum threshold of staff and residents who are up-to-date with COVID-19 vaccinations, with thresholds and deadlines established by MassHealth through administrative bulletin or other written issuance.
3. The nursing facility must attest to implementing core components of infection control requirements and outline a plan for ensuring compliance with these requirements and be in continuous substantial compliance with such requirements during the rate year.
4. A nursing facility must attest to having a plan in place to administer COVID-19 therapeutics, including monoclonal antibodies and antiviral therapies, to its residents as clinically appropriate.
5. The nursing facility must meet the 75% DCC-Q threshold established under 101 CMR 206.12(1).

Payment Methodology. EOHHS will use the following methodology to calculate COVID-19 preparedness payments for each eligible nursing facility.

1. Determine the total number of Massachusetts Medicaid days, including fee-for-service (FFS) days and managed care days, as reported by eligible nursing facilities in their Quarterly User Fee Assessment Forms for the period of July 1, 2021, through June 30, 2022.
2. Divide the total amount of available funds, \$16,550,000, by the total number of Massachusetts Medicaid days as determined in 101 CMR 206.10(18)(c)1.
3. For each eligible nursing facility, multiply the quotient calculated in 101 CMR 206.10(18)(c)2. by the eligible nursing facility's Massachusetts Medicaid days, as reported in the nursing facility's Quarterly User Fee Assessment Forms for the period of July 1, 2021, through June 30, 2022.
4. The COVID-19 preparedness payments will equal the total calculated in 101 CMR 206.10(18)(c)3. for each eligible nursing facility.

Tracheostomy Add-on. For dates of service beginning October 1, 2022, a nursing facility that provides tracheostomy services to tracheostomy-dependent MassHealth members will receive a member-specific tracheostomy add-on of \$220 per member per day, provided all of the following criteria are met:

- (a) MassHealth is the resident's primary payer for nursing facility services at the time of admission;
- (b) the resident requires tracheostomy services; and
- (c) the facility is not receiving the ventilator add-on described in 101 CMR 206.10(2) or the communication-limited resident ventilator add-on described in 101 CMR 206.10(3) for the resident.

Temporary Resident Add-on.

(a) For dates of service beginning October 1, 2022, a nursing facility will be eligible for a member-specific temporary resident add-on if the resident meets all of the following criteria:

1. MassHealth is the resident's primary payer for nursing facility services at the time of admission;
2. the resident is medically eligible for nursing facility services under 130 CMR 456.409: *Services Requirement for Medical Eligibility*;
3. the resident was transferred to the nursing facility for temporary residence purposes directly from their home; and
4. the resident was discharged from the nursing facility to their home within 30 calendar days of the admission date.

(b) Payment amount. For individuals younger than 22 years of age, the add-on is \$250 per member per day. For individuals aged 22 years old or older, the add-on is \$130 per member per day.