

Home Care Work Group

November 19, 2009

Agenda

- ▶ Refinements to Principles
- ▶ Additional Data
 - Updated Data for Largest NYC Providers
 - Other LTC Spending/Recipients for 2008
- ▶ Follow Up to Refinements of Wage Index Factor (WIF)
- ▶ Special Needs Patients
- ▶ Draft Report

Principles of Medicaid Reimbursement Reform

Medicaid Rates should:

- 1) Be transparent and administratively efficient
- 2) Pay for Medicaid Patients
- 3) Encourage cost-effective care and promote efficiencies
- 4) Encourage and reward quality care
- 5) Encourage and provide access to care in the right setting
- 6) Be Updated Periodically
- 7) Comply with Federal Medicaid Rules
- 8) Reinforce health systems planning and advance State health care programs
- 9) Be consistent with Budget Constraints

Spending Trends ~ NYC Providers

NYC Provider	2003 Spending	2007 Spending	2008 Spending	Percent Change 2003 to 2008
Total NYC	\$638,340,094	\$1,008,640,843	\$1,020,339,817	60%
1	\$27,200,371	\$174,801,792	\$192,340,608	607%
2	\$5,839,756	\$43,075,149	\$55,724,489	854%
3	\$33,394,984	\$77,253,670	\$75,780,314	127%
4	\$1,307,019	\$40,925,009	\$44,648,481	3316%
5	\$2,734,999	\$50,047,994	\$42,942,383	1470%
6	\$12,165,624	\$47,754,287	\$91,428,697	652%
7	\$16,228,029	\$32,716,442	\$38,413,945	137%
8	\$309,940,153	\$243,664,505	\$200,590,479	(35%)
All other NYC	\$229,529,159	\$298,401,995	\$278,470,419	21%
Total Statewide	\$760,464,699	\$1,164,801,676	\$1,164,093,698	53%

Recipients and Spending Per Recipient ~ NYC Providers

NYC Provider	Medicaid Recipients			Spending Per Recipient		
	2003	2007	2008	2003	2007	2008
Total NYC	53,800	51,214	49,517	\$11,865	\$19,695	\$20,606
1	3,255	5,556	5,552	\$8,356	\$31,462	\$34,643
2	361	1,907	2,006	\$16,177	\$22,588	\$27,779
3	1,432	1,938	1,614	\$23,321	\$39,863	\$46,952
4	201	1,409	1,411	\$6,503	\$29,045	\$31,643
5	488	1,598	1,775	\$5,605	\$31,319	\$24,193
6	722	1,940	2,887	\$16,850	\$24,616	\$31,669
7	570	858	980	\$28,470	\$38,131	\$39,198
8	26,439	21,590	18,664	\$11,723	\$11,286	\$10,747
All other NYC	20,332	14,418	14,628	\$11,289	\$20,696	\$19,037
Total Statewide	92,604	88,572	82,222	\$8,212	\$13,151	\$14,158

% Increase in Spending Per Recipient NYC: 73.7%, Rest of State: 39.7%

LTC Spending Trends ~ Total Spending (\$ Millions) and # of Recipients

	2003	2005	2008	% Δ 03 to 08
Nursing Homes (NH)	\$5,947	\$6,364	\$6,662	12.0%
# NH Recipients	139,080	137,146	131,300	-5.6%
ADHC	\$266	\$264	\$324	21.5%
# ADHC Recipients	16,365	16,726	17,626	7.7%
LTHHCP	\$510	\$592	\$666	30.6%
# LTHHCP Recipients	26,804	27,904	26,404	-1.5%
Personal Care (PC)	\$1,825	\$2,151	\$2,328	27.6%
# PC Recipients	84,823	84,201	77,800	-8.3%
MLTC	\$444	\$647	\$1,078	142.7%
# MLTC Recipients	12,293	16,648	29,967	143.8%
ALP	\$50	\$65	\$82	62.5%
# ALP Recipients	3,538	4,035	4,393	24.2%
CHHAs	\$760	\$921	\$1,164	53.1%
# CHHA Recipients	92,553	89,116	82,222	-11.2%

LTC Spending Trends ~ Spending Per Recipient \$

	2003	2005	2008	% Δ 03 to 08
Nursing Homes (NH)	\$42,759	\$46,404	\$50,740	18.7%
ADHC	16,269	15,780	18,360	12.8%
LTHHCP	19,036	21,230	25,235	32.6%
Personal Care (PC)	21,512	25,546	29,923	39.1%
MLTC	36,146	38,856	35,986	-0.4%
ALP	14,270	16,045	18,671	30.8%
CHHAs	8,215	10,338	14,158	72.3%

- ▶ The overall number of LTC recipients has not significantly changed – the number of NH, CHHA,LTTHCP has decreased while MLTC has increased
- ▶ Per recipient spending for CHHAs grew by 72.3%, which is more than 50% above the next largest area of per recipient spending growth (personal care at 39.1%)

Wage Index Factor Refinements ~ Component 2

▶ Suggested Refinements to WIF Include:

- 1) Adjust wages to reflect Fringe Benefits (what share of labor costs is attributable to Fringe Benefits?)
- 2) What portion of Base Price should be adjusted by the WIF (what portion of total costs is attributable to labor costs?)
- 3) How should the WIF be weighted to reflect the different mix of home care labor (home health aide hours, professional staff (i.e., nurses and therapists))
- 4) What regions should be used to calculate WIFs

Wage Index Factor Refinements ~ Data for Fringe Benefit Adjustment

	Nursing Home Proxy Cost Report (Total Direct Care Fringes/Total Direct Salaries and Fringes)	Long Term Home Health Care Cost Reports/ CHHA Cost Reports
PROS	Uses certified cost report data from a large number of providers/facilities	<p>Reflects a measure of fringes for the home care staff</p> <p>Has categorical detail fringes for nurses, home care and professional staff</p> <p>Combined there are 200 providers</p>
CONS	<p>No detail by professional category for salaries and fringes</p> <p>CNA (Nursing Home) and HHA (Home Care) not comparable?</p>	<p>Limited Home Health Aide Data (all regions may not be represented)</p> <p>95% of HHA costs are contracted, thus there is no fringe benefit data</p>

**Fringes as % of Salaries NH Costs Reports Compared to CHHA/LTHHCP Costs Reports
by CBSA Region**

	Nursing Home Proxy Cost Report	# Providers	LTHHCP/CHHA Cost Report	# Providers
Albany-Schenectady-Troy, NY	34.2%	32	24.4%	6
Binghamton, NY	33.9%	11	24.8%	5
Buffalo-Niagara Falls, NY	28.1%	47	26.7%	11
Capital/No. NY Non Metro Area	35.4%	30	35.0%	15
Central NY Non Metro Rural Area	37.4%	23	34.0%	10
East Central NY Non Metro Area	21.4%	6	19.3%	4
Elmira, NY	40.7%	5	29.6%	2
Glens Falls, NY	33.1%	8	36.5%	4
Ithaca, NY	33.1%	4	33.1%	3
Kingston, NY	40.1%	6	25.4%	4
Nassau-Suffolk	33.7%	77	23.0%	21
NYC – White Plain	34.1%	230	23.0%	67
Poughkeepsie-Newburgh- Middletown	40.2%	23	34.8%	7
Rochester	27.3%	49	24.7%	14
Southwest NY Non-Metro (Rural)	36.2%	32	40.4%	11
Syracuse, NY	39.5%	23	23.1%	9
Utica-Rome	28.1%	22	19.9%	5
Statewide	33.7%	628	24.2%	198

Other Approaches ~ Require Data

- ▶ Salaries and Fringes, Medicare Costs Reports (???)
- ▶ Using NYS DOL Data to Refine Regions
 - NYS DOL aggregates the OES data they collect for BLS into 10 Labor Market Regions – Data does not include Fringes

Region	Counties
Capital	Albany, Columbia, Greene, Rensselaer, Saratoga, Schenectady, Warren, Washington
Central New York	Cayuga, Cortland, Madison, Onondaga, Oswego
Finger Lakes	Genesee, Livingston, Monroe, Ontario, Orleans, Seneca, Wayne, Wyoming, Yates
Hudson Valley	Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster, Westchester
Long Island	Nassau, Suffolk
Mohawk Valley	Fulton, Herkimer, Montgomery, Oneida, Otsego, Schoharie
New York City	Bronx, Kings, Queens, New York, Richmond
North Country	Clinton, Essex, Franklin, Hamilton, Jefferson, Lewis, St. Lawrence
Southern Tier	Broome, Chemung, Chenango, Delaware, Schuyler, Steuben, Tioga, Tompkins
Western New York	Allegany, Cattaraugus, Chautauqua, Erie, Niagara

Wage Index Factor Refinement ~ % Share of Base Price Adjusted and Fringes

- ▶ Data available to compute staff share of total costs is limited ~ only sources DOH is aware of is the Cost Report Data (85.35%)
 - Work Group agrees this data probably overstates the share of total costs attributable to labor
- ▶ Short Term Solution:
 - Apply Estimate Used by Medicare PPS ~ 77%
- ▶ Long Term Solution:
 - Amend CHHA Cost Report and LHCSA Statistical Report to Collect Salary and Fringe Benefit Data for all categories of staff (professional and HHAs) and contracted staff

Special Needs CHHA Patients

	2008
Total Episodic Claims	220,806
Total Expenditures	\$1.2 Billion
Average 60-Day Cost	\$5,624
HIV (17,162 Episodes)	\$4,585
OMRDD (12,427 Episodes)	\$3,551
OMH (73,396 Episodes)	\$4,983
All Other (131,497 Episodes)	\$6,156