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State/Territory Name: New York

State Plan Amendment (SPA) #: 15-0036

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

DEC 19 2016

Jason A. Helgeson
State Medicaid Director
Deputy Commissioner
Office of Health Insurance Programs
NYS Department of Health
Corning Tower (OCP - 1211)
Albany, NY 12237

RE: State Plan Amendment (SPA) 15-0036

Dear Mr. Helgeson:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 15-0036. Effective April 1, 2015, this amendment proposes to continue a pay for performance quality incentive payment program for non-specialty nursing facilities and a related proportional rate reduction.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR Part 447. This letter is to inform you that New York 15-0036 is approved effective April 1, 2015. The CMS-179 and approved plan pages are enclosed.



If you have any questions, please contact Betsy Pinho at (518) 396-3810.

Sincerely,

A black rectangular box redacting the signature of Kristin Fan.

Kristin Fan
Director

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 15-0036	2. STATE New York
FOR: HEALTH CARE FINANCING ADMINISTRATION		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE April 1, 2015	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: § 1902(a) of the Social Security Act, and 42 CFR 447		7. FEDERAL BUDGET IMPACT: (in thousands) a. FFY 04/01/15-09/30/15 \$ 0 b. FFY 10/01/15-09/30/16 \$ 0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-D: Pages 110(d)(21), 110(d)(22), 110(d)(22.1), 110(d)(22.2), 110(d)(22.3), 110(d)(23), 110(d)(23.1), 110(d)(24), 110(d)(25), 110(d)(25.1), 110(d)(26)		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-D: Pages 110(d)(21), 110(d)(22), 110(d)(22.1), 110(d)(22.2), 110(d)(22.3), 110(d)(23), 110(d)(23.1), 110(d)(24), 110(d)(25), 110(d)(25.1), 110(d)(26)	
10. SUBJECT OF AMENDMENT: 2015 NH Quality Incentive Pool Revisions (FMAP = 50%)			
11. GOVERNOR'S REVIEW (Check One): <input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: New York State Department of Health Division of Finance and Rate Setting 99 Washington Ave – One Commerce Plaza Suite 1432 Albany, NY 12210	
13. TYPED NAME: Jason A. Helgerson			
14. TITLE: Medicaid Director Department of Health			
15. DATE SUBMITTED: JUN 30 2015			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: DEC 19 2016	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: APR 01 2015		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Kristin Fan		22. TITLE: Director, FMC	
23. REMARKS:			

**New York
110(d)(21)**

- [p) For the calendar year 2012, the operating component of the price of each non-specialty facility that fails to submit to the Commissioner a timely and properly certified 2011 nursing home cost report and nursing home employee influenza immunization data for September 1, 2011 through March 31, 2012 will be subject to a per diem reduction. The per diem reduction will be calculated as follows:

(Number of Medicaid Days of the non-specialty facility that fails to report/ total Medicaid days of all non-specialty facilities) * \$50 million]

- p) For the calendar year [2014] 2015, the Commissioner will calculate a quality score, based on quality data from the [2013] 2014 calendar year (January 1, [2013] 2014 through December 31, [2013] 2014), for each non-specialty facility. For purposes of calculating a [2014] 2015 quality score, non-specialty facilities will exclude non-Medicaid facilities and CMS Special Focus Facilities. The quality score for each such non-specialty facility will be calculated using the following Quality, Compliance, and Efficiency Measures.

Quality Measures		<u>Measure Steward</u>
1	Percent of Long Stay High Risk Residents With Pressure Ulcers (As Risk Adjusted by the Commissioner)	<u>CMS</u>
2	Percent of Long Stay Residents Who Received the Pneumococcal Vaccine	<u>CMS</u>
3	Percent of Long Stay Residents Who Received the Seasonal Influenza Vaccine	<u>CMS</u>
4	Percent of Long Stay Residents Experiencing One or More Falls with Major Injury	<u>CMS</u>
5	Percent of Long Stay Residents Who have Depressive Symptoms	<u>CMS</u>
6	Percent of Low Risk Long Stay Residents Who Lose Control of Their Bowels or Bladder	<u>CMS</u>
7	Percent of Long Stay Residents Who Lose Too Much Weight (As Risk Adjusted by the Commissioner)	<u>CMS</u>
8	Percent of Long Stay [Residents Who Received an Antipsychotic Medication] <u>Antipsychotic Use in Persons with Dementia</u>	<u>Pharmacy Quality Alliance (POA)</u>
9	Percent of Long Stay Residents Who Self-Report Moderate to Severe Pain (As Risk Adjusted by the Commissioner)	<u>CMS</u>
10	Percent of Long Stay Residents Whose Need for Help with Daily Activities Has Increased	<u>CMS</u>
11	Percent of Long Stay Residents with a Urinary Tract Infection	<u>CMS</u>
12	Percent of Employees Vaccinated for Influenza	<u>NYS DOH</u>

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**New York
110(d)(22)**

13	Percent of Contract/Agency Staff Used	<u>NYS</u> <u>DOH</u>
14	CMS Five-Star Quality Rating for Staffing as of April 1, [2014] <u>2015</u>	<u>CMS</u>
Compliance Measures		
15	CMS Five-Star Quality Rating for Health Inspections as of April 1, [2014] <u>2015</u> (By Region)	<u>CMS</u>
16	Timely Submission and Certification of Complete [2013] <u>2014</u> New York State Nursing Home Cost Report to the Commissioner	<u>NYS</u> <u>DOH</u>
17	Timely Submission of Employee Influenza Immunization Data for the September 1, [2013] <u>2014</u> - March 31, [2014] <u>2015</u> Influenza Season by the [two] deadline[s] of [November 15, 2013 and] May 1, [2014] <u>2015</u>	<u>NYS</u> <u>DOH</u>
Efficiency Measure		
18	Rate of Potentially Avoidable Hospitalizations for Long Stay [Episodes] <u>Residents</u> January 1, [2013] <u>2014</u> - December 31, [2013] <u>2014</u> (As Risk Adjusted by the Commissioner)	<u>NYS</u> <u>DOH</u>

The maximum points a facility may receive for the Quality Component is 70. The applicable percentages or ratings for each of the 14 measures will be determined for each facility. [Three] Two measures will be awarded points based on threshold values. The remaining [11] 12 measures will be ranked and grouped by quintile with points awarded as follows:

Scoring for <u>12</u> [11] Quality Measures	
Quintile	Points
1 st Quintile	5
2 nd Quintile	3
3 rd Quintile	1
4 th Quintile	0
5 th Quintile	0

Note: The following quality measures will not be ranked into quintiles and points will be awarded based on threshold values:

- Percent of employees vaccinated for influenza: facilities will be awarded five points if the rate is 85% or higher, and zero points if the rate is less than 85%.
- [Percent of long stay residents who received the pneumococcal vaccine: facilities will be awarded five points if the rate is 85% or higher, and zero points if the rate is less than 85%.]
- Percent of contract/agency staff used: facilities will be awarded five points if the rate is less than 10%, and zero points if the rate is 10% or higher.

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**New York
110(d)(22.1)**

Addition of New Measure[s] to Quality Component

Percent of Long Stay Antipsychotic Use in Persons with Dementia

This measure will replace the current CMS measure, Percent of Long Stay Residents Who Received an Antipsychotic Medication. NYS DOH will follow the measure specifications developed and endorsed by the Pharmacy Quality Alliance Quality Metrics Expert Panel. The measure specifications can be found at <http://pqaalliance.org/measures> as of June 30, 2015.

Addition of New Measures for Benchmarking Purposes Only

The following two staffing measures will be calculated and reported to nursing homes with the results of the 2015 NHQI. The measures will be reported for benchmarking purposes only and will not factor in to the scoring for the 2015 NHQI.

Rate of Nursing Hours per Day

NYS DOH will calculate an annualized adjusted rate of staff hours per resident per day. For this measure, staff are defined as RNs, LPNs, and Aides. The observed staffing hours will be taken from the 2014 nursing home cost reports. The expected staffing hours will be determined using Resource Utilization Group data on the 2014 MDS 3.0 and the CMS 1995-1997 Staff Time Measurement Study. The observed-to-expected staffing hours will be adjusted using the statewide distribution and the formula adapted from the CMS Five-Star Quality Rating for Staffing at <http://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/CertificationandCompliance/Downloads/usersguide.pdf>. The formula below will be used as of June 30, 2015:

(Hours worked reported from cost reports / # of residents from MDS 3.0) / 365 days

Divided by

((RUG distribution from MDS 3.0*hours from CMS time study)/# of residents from MDS 3.0) / 365 days

Percent of Staff Turnover

NYS DOH will calculate an annual average staff turnover rate using 2014 nursing home cost report data. For this measure, staff are defined as full time and contract RNs, LPNs, and Aides. Per diem staff are excluded. NYS DOH will use the staff turnover formula put forth by the Advancing Excellence in America's Nursing Homes Campaign. The staff turnover formula as of June 30, 2015, can be found at <https://www.nhqualitycampaign.org/goaldetail.aspx?q=ss#tab2>.

Awarding for Improvement

[Effective in the 2014 Nursing Home Quality Initiative (NHQI), n] Nursing homes will be awarded improvement points from previous years' performance in selected measures in the Quality Component only. One improvement point will be awarded for a nursing home that improves in its quintile for a specific quality measure, compared to its quintile in the previous year for that quality measure. Nursing homes that obtain the top quintile in a quality measure will not receive an improvement point because maximum points per measure cannot exceed five. The [F] five quality measures below will not be eligible to receive improvement points:

- Percent of Long Stay Residents Who Received the Pneumococcal Vaccine (based on threshold in 2014 NHQI)
- Percent of Employees Vaccinated for Influenza (based on threshold)

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**New York
110(d)(22.2)**

- Percent of Contract/Agency Staff Used (based on threshold)
- Long Stay Antipsychotic Use in Persons with Dementia (new measure)
- CMS Five-Star Quality Rating for Staffing as of April 1, 2015

[These include the three quality measures that are based on threshold values, the CMS Five-Star Quality Rating for Staffing, and the Percent of Long Stay Residents Who Received the Seasonal Influenza Vaccine. The Percent of Long Stay Residents Who Received the Seasonal Influenza Vaccine measure was based on a threshold value in the 2013 NHQI, but has been changed to quintiles in the 2014 NHQI.]

The remaining [nine] ten quality measures that are eligible for improvement points are listed below:

- Percent of Long Stay High Risk Residents With Pressure Ulcers
- Percent of Long Stay Residents Experiencing One or More Falls with Major Injury
- Percent of Long Stay Residents Who have Depressive Symptoms
- Percent of Low Risk Long Stay Residents Who Lose Control of Their Bowels or Bladder
- Percent of Long Stay Residents Who Lose Too Much Weight
- [Percent of Long Stay Residents Who Received an Antipsychotic Medication]
- Percent of Long Stay Residents Who Self-Report Moderate to Severe Pain
- Percent of Long Stay Residents Whose Need for Help with Daily Activities Has Increased
- Percent of Long Stay Residents with a Urinary Tract Infection
- Percent of Long Stay Residents Who Received the Seasonal Influenza Vaccine

The grid below illustrates the method of awarding improvement points.

[2013] 2014 Performance						
[2014] 2015 Performance	Quintiles	1 (best)	2	3	4	5
	1 (best)	5	5	5	5	5
	2	3	3	4	4	4
	3	1	1	1	2	2
	4	0	0	0	0	1
	5	0	0	0	0	0

For example, if 2014 NHQI performance is in the third quintile, and 2015 NHQI performance is in the second quintile, the facility will receive four points for the measure. This is three points for attaining the second quintile and one point for improvement from the previous year's third quintile.

Risk Adjustment of Quality Measures

The following quality measures will be risk adjusted using the following covariates as reported in the MDS 3.0 data to account for the impact of individual risk factors:

- Percent of Long Stay Residents Who Self-Report Moderate to Severe Pain: the covariate includes cognitive skills for daily decision making on the prior assessment.
- Percent of Long Stay High Risk Residents with Pressure Ulcers: The covariates include gender, age, healed pressure ulcer since the prior assessment, BMI, prognosis of less than six months of life expected, diabetes, heart failure, deep vein thrombosis, anemia, renal failure, hip fracture, bowel incontinence, cancer, paraplegia, and quadriplegia.

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**New York
110(d)(22.3)**

- **Percent of Long Stay Residents who Lose Too Much Weight:** The covariates include age, hospice care, cancer, renal failure, prognosis of less than six months of life expected.

For these three measures the risk adjusted methodology includes the calculation of the observed rate; that is the facility's numerator-compliant population divided by the facility's denominator.

The expected rate is the rate the facility would have had if the facility's patient mix was identical to the patient mix of the state. The expected rate is determined through the risk-adjusted model and follows the CMS methodology found in the MDS 3.0 Quality Measures User's Manual, Appendix A-1.

The facility-specific, risk-adjusted rate is the ratio of observed to expected measure rates multiplied by the overall statewide measure rate.

Reduction of Points Base: When a quality measure is not available for a nursing home, the number of points the measure is worth will be reduced from the base of 100 maximum NHQI points. The nursing home's total score will be the sum of its points divided by the base. This reduction can happen in the following scenarios:

- When nursing homes do not have enough cost report data to calculate a percent of contract/agency staff used; or
- When a quality measure has a denominator of less than 30
- [When a quality measure has a denominator of less than 30; or
- When a facility does not have a CMS Five-Star Quality Rating for Staffing

For example, if 2013 NHQI performance is in the third quintile, and 2014 NHQI performance is in the second quintile, the facility will receive four points for the measure. This is three points for attaining the second quintile and one point for improvement from the previous year's third quintile.]

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**New York
110(d)(23)**

The maximum points a facility may receive for the Compliance Component is [15] 20 points. Points shall be awarded as follows:

Scoring for Compliance Measures	
CMS Five-Star Quality Rating for Health Inspections (By Region)	Points
5 Stars	10
4 Stars	7
3 Stars	4
2 Stars	2
1 Star	0
Timely Submission and Certification of Complete [2013] 2014 New York State Nursing Home Cost Report to the Commissioner	5 (Facilities that fail to submit a timely, certified, and complete cost report will receive zero points)
Timely Submission of Employee Influenza Immunization Data	<u>5 for the May 1, 2015 deadline</u> [5 total; 2.5 for the November 15, 2013 deadline] 2.5 for the May 1, 2014 deadline (Facilities that fail to submit timely influenza data by the deadline will receive zero [out of the 2.5] points) [for that specific deadline]]

CMS Five-Star Quality Rating for [Staffing Regional Adjustment] Health Inspections

The CMS Five-Star Quality Rating for Health Inspections as of April 1, [2014] 2015 will be adjusted by region. This is not a risk adjustment. For eligible New York State nursing homes, the health inspection scores from CMS will be stratified by region. Cut points for health inspection scores within each region will be calculated using the CMS 10-70-20% distribution method. Per CMS' methodology, the top 10% of nursing homes receive five stars. The middle 70% receive four, three, or two stars, with an equal percentage (~23.33%) receiving four, three, or two stars. The bottom 20% receive one star. Each nursing home will be awarded a star rating based on the health inspection score cut points specific to its region. Regions include the Metropolitan Area (MARO), Western New York (WRO), Capital District (CDRO), and Central New York (CNYRO). Regions are defined by the New York State Health Facilities Information System (NYS HFIS). The counties within each region are shown below.

Metropolitan Area Regional Offices (MARO): Bronx, Dutchess, Kings, Nassau, New York, Orange, Putnam, Queens, Richmond, Rockland, Suffolk, Sullivan, Ulster, and Westchester.

Central New York Regional Offices (CNYRO): Broome, Cayuga, Chenango, Cortland, Herkimer, Jefferson, Lewis, Madison, Oneida, Onondaga, Oswego, Saint Lawrence, Tioga, and Tompkins.

Capital District Regional Offices (CDRO): Albany, Clinton, Columbia, Delaware, Essex, Franklin, Fulton, Greene, Hamilton, Montgomery, Otsego, Rensselaer, Saratoga, Schenectady, Schoharie, Warren, and Washington.

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**New York
110(d)(23.1)**

Western New York Regional Offices (WRO): Allegany, Cattaraugus, Chautauqua, Chemung, Erie, Genesee, Livingston, Monroe, Niagara, Ontario, Orleans, Schuyler, Seneca, Steuben, Wayne, Wyoming, and Yates.

Reduction of Points Base: When a compliance measure is not available for a nursing home, the number of points the measure is worth will be reduced from the base of 100 maximum NHQI points. The nursing home's total score will be the sum of its points divided by the base. This reduction can happen when a facility does not have a CMS Five-Star Quality Rating for Health Inspections.

The maximum points a facility may receive for the Efficiency Component is 10 points. The rates of potentially avoidable hospitalizations will be determined for each facility and each such rate will be ranked and grouped by quintile with points awarded as follows:

Scoring for Efficiency Measure	
Quintile	Points
1 st Quintile	10
2 nd Quintile	8
3 rd Quintile	6
4 th Quintile	2
5 th Quintile	0

The Efficiency Measure will be risk adjusted [using the following] for certain conditions chosen from a pool of covariates as reported in the MDS 3.0 data to account for the impact of individual risk factors: gender, age, [race/ethnicity, payor, prior hospitalization (hospitalization less than or equal to 90 days before the long stay episode began), pneumonia, urinary tract infection,] shortness of breath, falls with injury, pressure ulcer, activities of daily living, renal disease, cognitive impairment, dementia, diabetes, parenteral nutrition, rheumatologic disease, gastrointestinal disease, multi-drug-resistant infection, indwelling catheter, wound infection, deep vein thrombosis, cancer, feeding tube, [septicemia, antibiotic-resistant infection,] coronary artery disease, liver disease, paralysis, peripheral vascular disease, and [Charlson Index*] malnutrition.

[*The Charlson Index is a score based on several comorbidities following CMS specifications. In the statistical model, the Charlson Index is separated into the following three groups: Low (a score of less than or equal to 1), Mid (2-4), and High (5 and greater). The comorbidities were determined using (1) any MDS assessment during the resident's long stay episode, or (2) a hospitalization record up to 12 months before the resident's long stay episode began, or (3) a hospitalization record up to three days after the resident's long stay episode ended. The comorbidities used to create the Charlson Index include the following: myocardial infarction, congestive heart failure, peripheral vascular disease, cerebrovascular disease, dementia, chronic pulmonary disease, rheumatologic disease, peptic ulcer disease, mild liver disease, diabetes with complications, diabetes without complications, paraplegia and hemiplegia, renal disease, cancer/leukemia, moderate or severe liver disease, metastatic carcinoma, and AIDS/HIV.]

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**New York
110(d)(24)**

A potentially avoidable hospitalization is found by matching a discharge assessment in the MDS 3.0 data to its hospital record in SPARCS. The following primary admitting diagnoses on the SPARCS hospital record are potentially avoidable:

Respiratory infections
466 Acute bronchitis
480.0-487.8 Pneumonia
507 Pneumonia
Sepsis
038.0-038.9 Septicemia
UTI
590.00-590.9 Infections of kidney
595.0-595.4 Cystitis
595.9 Cystitis
595.89 Other type of cystitis
597 Urethral abscess
598 Urethral stricture due to infection
598.01 Urethral stricture due to infection
599 Urinary tract infection
601.0-604 Inflammation of prostate
Electrolyte imbalance
276.0-276.9 Disorders of fluid, electrolyte and acid-base balance
CHF
428.0-428.9 Heart Failure
398.91 Rheumatic heart failure
Anemia
280-280.9 Iron deficiency anemias
281.0-281.9 Other deficiency anemias
285.1 Acute posthemorrhagic anemia
285.29 Anemia of chronic illness

Reduction of Points Base: When the number of long stay residents [episodes] that contribute to the denominator of the potentially avoidable hospitalization measure is less than 30, the number of points the measure is worth will be reduced from the base of 100 maximum NHQI points. The nursing home's total score will be the sum of its points divided by the base.

The following rate adjustments, which will be applicable to the 2015 [2014] calendar year, will be made to fund the NHQI and to make quality payments based upon the scores calculated as described above.

- Specialty facilities, such as AIDS and pediatrics facilities, and discrete units within facilities that provide extensive nursing, medical, psychological and counseling support services solely to children, are excluded from the NHQI. Each such non-specialty facility, as defined by this paragraph, will be subject to a negative per diem adjustment to fund the NHQI. Specialty facility will mean: AIDS facilities or discrete AIDS units within facilities; discrete units for residents receiving care in a long-term inpatient rehabilitation program for traumatic brain injured persons; discrete units providing specialized programs for residents requiring behavioral interventions; discrete units for long-term ventilator dependent residents; and facilities

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**New York
110(d)(25)**

or discrete units within facilities that provide extensive nursing, medical, psychological and counseling support services solely to children. Non-specialty will mean all other facilities not defined as a specialty facility. Each such non-specialty facility will be subject to a negative per diem adjustment to fund the NHQI which will be calculated as follows:

- For each such facility, Medicaid revenues, calculated by multiplying each facility's promulgated rate in effect for such period by reported Medicaid days, as reported in a facility's [2013] 2014 cost report, will be divided by total Medicaid revenues of all non-specialty facilities. The result will be multiplied by the \$50 million dollars, and divided by each facility's most recently reported Medicaid days. If a facility fails to submit a timely filed [2013] 2014 cost report, the previous year's cost report will be used.
- The total quality scores as calculated above for each such facility will be ranked and grouped by quintile. Each of the top three quintiles will be allocated a share of the \$50 million NHQI and each such facility within such top three quintiles will receive a quality payment. Such quality payment will be paid as a per diem adjustment for the [2014] 2015 calendar year. Such shares and payments will be calculated as follows:

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**New York
110(d)(25.1)**

Distribution of NHQI and Quality Payments			
Facilities Grouped by Quintile	A Facility's Medicaid Revenue Multiplied by Award Factor	B Share of \$50 Million NHQI Allocated to Facility	C Facility Per Diem Quality Payment
1st Quintile	Each facility's [2013] <u>2014</u> Medicaid days multiplied by [2014] <u>2015</u> Medicaid Rate as of January 1, [2014] <u>2015</u> = Total Medicaid Revenue multiplied by an award factor of 3	Each facility's column A Divided by Sum of Total Medicaid Revenue for all facilities, Multiplied by \$50 million	Each facility's column B divided by the facility's [2013] <u>2014</u> Medicaid days
2nd Quintile	Each facility's [2013] <u>2014</u> Medicaid days multiplied by [2014] <u>2015</u> Medicaid Rate as of January 1, [2014] <u>2015</u> = Total Medicaid Revenue multiplied by an award factor of 2.25	Each facility's column A Divided by Sum of Total Medicaid Revenue for all facilities, Multiplied by \$50 million	Each facility's column B divided by the facility's [2013] <u>2014</u> Medicaid days
3rd Quintile	Each facility's [2013] <u>2014</u> Medicaid days multiplied by [2014] <u>2015</u> Medicaid Rate as of January 1, [2014] <u>2015</u> = Total Medicaid Revenue multiplied by an award factor of 1.5	Each facility's column A Divided by Sum of Total Medicaid Revenue for all facilities, Multiplied by \$50 million	Each facility's column B divided by the facility's [2013] <u>2014</u> Medicaid days
Total	Sum of Total Medicaid Revenue for all facilities	Sum of quality pool funds: \$50 million	--

Payments made pursuant to this program will be subject to this rate adjustment and will be reconciled using actual Medicaid claims data.

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New York
110(d)(26)

The following facilities will not be eligible for [2014] 2015 quality payments and the scores of such facilities will not be included in determining the share of the NHQI or facility quality payments:

- A facility with health inspection survey deficiency data showing a level J/K/L deficiency during the time period of July 1, [2013] 2014 through June 30, [2014] 2015. Deficiencies will be reassessed on October 1, [2014] 2015 to allow a three-month window (after the June 30, [2014] 2015 cutoff date) for potential Informal Dispute Resolutions (IDR) to process. The deficiency data will be updated to reflect IDRs occurring between July 1, [2014] 2015 and September 30, [2014] 2015. Any *new* J/K/L deficiencies between July 1, [2014] 2015 and September 30, [2014] 2015 will *not* be included in the [2014] 2015 NHQI.
- q) Per Diem Transition Adjustments: Over the five-year period beginning January 1, 2012, and ending December 31, 2016, non-specialty facilities will be eligible for per diem transition rate adjustments, calculated as follows:
- 1) In each year for each non-specialty facility computations will be made by the Department pursuant to subparagraphs (i) and (ii) below and per diem rate adjustments will be made for each year such that the difference between such computations for each year is no greater than the percentage as identified in subparagraph (iii), of the total Medicaid revenue received from the non-specialty facility's July 7, 2011, rate (as transmitted in the Department's Dear Administrator Letter (DAL) dated November 9, 2011) and not subject to reconciliation or adjustment, provided, however, that those facilities which are, subsequent to November 9, 2011, issued a revised non-capital rate for rate periods including June 7, 2011, reflecting a new base year that is subsequent to 2002, will have such revised non-capital rate as in effect on July 7, 2011 utilized for the purpose of computing transition adjustments pursuant to this subdivision.
 - i) A non-specialty facility's Medicaid revenue, calculated by summing the direct component, indirect component, non-comparable components of the price in

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