

STATE: COMMONWEALTH OF PENNSYLVANIA

d. These payments will be made annually within 120 days after the submission of an acceptable MA cost report provided that in no case will payment be made before 210 days of the close of the county nursing facility fiscal year.

e. For the period July 1, 2005 to June 30, 2009, the disproportionate share incentive payment to qualified county nursing facilities shall be increased to equal two times the disproportionate share per diem incentive calculated in accordance with subparagraph c.

(i) For the period commencing July 1, 2005 through June 30, 2006, the increased incentive shall apply to MA cost reports filed for the fiscal period ending December 31, 2005.

(ii) For the period commencing July 1, 2006 through June 30, 2007, the increased incentive shall apply to MA cost reports filed for the fiscal period ending December 31, 2006.

(iii) For the period commencing July 1, 2007 through June 30, 2008, the increased incentive shall apply to MA cost reports filed for the fiscal period ending December 31, 2007.

(iv) For the period commencing July 1, 2008 through June 30, 2009, the increased incentive shall apply to MA cost reports filed for the fiscal period ending December 31, 2008.

3. Pay for Performance Incentive Payment

For Fiscal Years 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012 and 2012-2013 pay for performance incentive payments will be made to qualifying county nursing facilities each quarter based on the following:

(i) *Qualifying criteria.* A county nursing facility will qualify for the pay for performance incentive if both of the following criteria are met:

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(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, 2010-2011, 2011-2012 and 2012-2013 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.

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