



TESTIMONY BEFORE THE HOUSE HEALTH AND GOVERNMENT OPERATIONS
COMMITTEE
March 3, 2009

**House Bill 782: Nursing Facilities - Accountability Measures - Pay-for-Performance
Program**

Position: Oppose

In General

House Bill 782 would delay implementation of the nursing home pay-for-performance program from July 1, 2009 to the later of July 1, 2011 or until the termination of rate reductions imposed on nursing homes. The bill also requires the Department of Health and Mental Hygiene (DHMH) to reevaluate the accountability measures developed during the 2008 interim and evaluate the distribution of funding and education regarding the final scoring criteria.

This is the fourth session where the General Assembly will debate the development of a nursing home pay-for-performance program.

- **Session 2006** - Budget language required the Health Facilities Association of Maryland and LifeSpan to jointly develop a proposal linking payment to quality of care measures. The General Assembly required DHMH to develop its own proposal. Both proposals were submitted to the General Assembly for review.
- **Session 2007** – Senate Bill 101/House Bill 130 required that, beginning July 1, 2008, a portion of the revenues from the quality assessment be distributed to nursing facilities based on accountability measures that indicate quality of care or a commitment to quality of care. DHMH instructed to develop the measures with representatives of the nursing facilities and other stakeholders.
- **Session 2008** – Senate Bill 677/House Bill 809, at the request of the nursing home industry, delayed implementation of a pay-for-performance program until July 1, 2009 to allow additional time to develop the measures. DHMH convened a workgroup to develop measures. DHMH sent a report to the General Assembly in December 2008. LifeSpan and HFAM both participated on the workgroup along with several consumer groups. Again, the bill introduced in 2008 requested a delay until July 1, 2009 for implementation not a delay to develop the criteria, educate members and then implement the program at a later date.

LifeSpan Position

LifeSpan is opposed to a delay in the implementation of pay-for-performance for nursing homes. LifeSpan believes that nursing homes should receive an incentive payment for

quality performance. Over the last four years, over forty (40) bills have been introduced affecting nursing homes. These bills shared one common purpose – to increase quality of care in nursing homes. The quality measures being used in the pay-for-performance program involve staffing levels and retention, CMS quality indicators, family satisfaction survey, employment of an infection control coordinator and vaccinations of staff. LifeSpan believes that linking performance to funding will change behaviors in nursing homes and will increase quality of care. Further delay is not needed. During the 2008 interim, DHMH held stakeholder meetings to discuss the criteria being developed. All stakeholders were encouraged to bring proposals to the table. All proposals were vetted through the group.

No proposal will ever be perfect. However, DHMH has indicated its willingness to continue to work with the industry to adjust the criteria. In addition, DHMH has also indicated that it will examine whether facilities should receive funds for “improving” performance. Again, the intent of a nursing home pay-for-performance program and the other forty plus bills introduced over the years is to increase quality of care in nursing homes.

Compromised Language

Due to concerns raised by other interest groups, LifeSpan recommends compromise language that would allow the pay-to-performance program to begin July 1, 2009 but be implemented in a three-year phase-in. A three year phase-in will: 1) provide an incentive for facilities to improve their performance; 2) award facilities for their performance; 3) allow DHMH to collect benchmark data; and 4) assist DHMH and the industry in evaluating the program to determine what changes may be needed to measure and enhance quality of care. Given that DHMH had estimated that approximately \$6 million would be allocated to a nursing home pay-for-performance program, LifeSpan’s compromise language would only allocate approximately \$2 million in FY2010 for this very important program.

###

LifeSpan Network is a senior care provider association representing approximately 300 providers, including nursing homes, assisted living facilities, medical adult day care providers, continuing care retirement communities and senior housing communities. Our members provide care to approximately 45,000 seniors.

Submitted by:

Danna Kauffman
Senior Vice President of Public Policy
dkauffman@lifespan-network.org
410-279-5572

DEVELOPED ACCOUNTABILITY MEASURES

Category and Assigned Points	Rating Criteria
Family Satisfaction Survey (40 points)	<p>Overall Experience</p> <ul style="list-style-type: none"> ▪ Would you recommend this nursing home? ▪ How would you rate the care in this nursing home? <p>Five Domains</p> <ul style="list-style-type: none"> ▪ Staff and Administration of the Nursing Home ▪ Physical Aspects of the Nursing Home ▪ Autonomy and Resident Rights ▪ Care Provided to Residents ▪ Food and Meals
Nursing Staffing and Retention (40 points)	<p>Staffing – 20 points</p> <ul style="list-style-type: none"> ▪ Nursing Facility Wage Survey ▪ 4.13 hours of nursing per resident benchmark based on CMS Study. Hours will be adjusted for resident acuity. <p>Retention – 20 points</p> <ul style="list-style-type: none"> ▪ Nursing Facility Wage Survey ▪ Two years in a position articulated by the nursing facility wage survey
MDS Outcomes (16 points)	<ul style="list-style-type: none"> ▪ Percent of High-Risk Residents Who Have Pressure Sores ▪ Percent of Residents Who Were Physically Restrained ▪ Percent of Residents Who Have/Had a Catheter Inserted and Left in Their Bladder ▪ Percent of Residents with a Urinary Tract Infection ▪ Percent of Long-Stay Residents Given Influenza Vaccination During the Flu Season ▪ Percent of Long-Stay Residents Who Were Assessed and Given Pneumococcal Vaccination
Employment of An Infection Control Coordinator (2 points)	Per COMAR.
Staff Vaccinations Against Influenza (2 points)	The benchmark will be 80 percent, which is based on an epidemiological threshold necessary to achieve herd-immunity. Nursing facilities reaching the benchmark of 80 percent will receive the full 2 points.