The Commonwealth of Massachusetts
Executive Office of Health and Human Services
One Ashburton Place, Room 1109
Boston, Massachusetts 02108

CHARLES D. BAKER
Governor

KARYN E. POLITO
Lieutenant Governor

MARYLOU SUDDERS
Secretary

Tel: (617) 573-1600
Fax: (617) 573-1891
www.mass.gov/eohhs

NOTICE

The Executive Office of Health and Human Services has extended the deadline for filing the FY17 Interim Direct Care Add-on Compliance data until 5:00 p.m. on Friday, May 5, 2017.

Facilities that have not yet registered for the application should contact NFDirectCare@umassmed.edu as soon as possible.

For your reference, we have included the instructions for completing the FY17 Interim Direct Care Add-on Compliance Form below.

Nursing Facility Direct Care Add-on

SFY2017 Compliance Form Instructions — Interim Filing

This document provides instructions for nursing facilities to complete the SFY2017 Direct Care Add-on Compliance Form. Please refer to 101 CMR 206.00: Standard Payments to Nursing Facilities and Administrative Bulletin 16-18 for direct care add-on compliance requirements.

The deadline for submitting the interim Compliance Form is Friday, 5/5/17 at 5pm.

Electronic submission of forms

Forms must be filed electronically and can be accessed at the following website:
https://www.uenter.org/NF/.

Registered users will need to enter their userID and the password they received after registering. To register to receive a userID and password, please e-mail: NFDirectCare@umassmed.edu.

Once users have logged on, users will be able to select any of the nursing facilities for which they have registered. Users should enter values into each field. Note that the form auto-calculates totals and formulas.

Users can hit the Save Only button to save the data previously entered. Once Save Only is selected, the user will have the option to print out the form, as well as an option to select a different nursing facility's form to complete. Users are able to return to the form to continue entering information at any time until the submission deadline.

To ensure comparability between the rate period revenue and costs, the web form includes an automatic *pro rata* adjustment to the revenue in Part E, line 9. The facility does not need to make any additional adjustment to the revenue or cost data.

In order to submit the form for a particular nursing facility, an Owner, Partner, or Officer authorizing the submission must review the form and enter their name and title, as well as check off the box certifying that the submission is accurate.

Note: Once a user submits this form to MassHealth, no further changes may be made. To save without submitting, hit Save Only, as described above.

Directions on filling out the form

(a) Part A: Direct Care Add-on Funding and Uses

1. *Direct care add-on per day.* Report the "Direct Care Add-on" per diem amount specified in the facility's certified rate calculation received from EOHHS. If the facility's rate changed during the specified period, the facility must report the weighted average direct care add-on per diem amount on line 1, weighted by the number of Non-Managed Care Medicaid days in each period.

2. *Direct care add-on annualization adjustment.* Report the Direct Care Add-on annualization per diem amount specified in the facility's certified rate calculation received from EOHHS. If the facility's rate changed during the specified period, the facility must report the weighted average annualization per diem amount on line 2, weighted by the number of Non-Managed Care Medicaid days in each period.

3. *Medicaid Non-Managed Care days.* Report the number of Medicaid bed days paid by MassHealth and the Massachusetts Commission for the Blind in the applicable periods. Do not include residential care ("level IV") days, non-Massachusetts Medicaid days, or Medicaid Managed Care, Senior Care Options, or OneCare days.

4. *Total Direct Care Add-on Revenue. This value auto-calculates on the form.* For each respective period, this amount is the product of the sum of the Direct Care Add-on per day and the annualization per diem (line 1 + line 2) and Medicaid Non-Managed Care days (line 3). Column A,

line 3, should include days for the period October 1, 2015 – June 30, 2016. Column B, line 3, should include days for the period October 1, 2016 – March 31, 2017.

5. *FY16 Direct Care Add-on.* Report the amount the facility spent during the period of January 1, 2016 to June 30, 2016 to comply with the Direct Care Add-on provisions of 101 CMR 206.06(13) effective October 1, 2015. Report the applicable amounts by category.

    a. Facilities that paid a bonus amount during this period should report the full amount of the bonus payment.

    b. Facilities that increased wages and benefits should multiply the difference in the average hourly wage and benefit rate between April 1, 2015 -September 30, 2015 and January 1, 2016 – June 30, 2016 by the number of Direct Care hours in January 1, 2016 – June 30, 2016.

    c. Facilities that used an alternate method to comply with the FY16 Direct Care Add-on provision may use another reasonable basis to determine the amount spent for the FY16 Direct Care Add-on. EOHHS may require facilities to provide supporting documentation for any calculations completed for this line.

    d. The amount reported in line A.5 may not exceed the total amount of FY16 Direct Care Add-on revenue reported in line A.4(A).

6. *Uses of Add-on Funding.* Indicate in the applicable boxes how the facility elected to use the add-on funding. Mark as many boxes as apply. If the facility used the funds in a manner not enumerated on the list, check the box marked "Other" and provide a brief description of the uses in the box provided.

(b) Part B: Bonuses paid to employees

Note: Part B must be completed only if the facility paid a bonus to employees. You will only be able to enter bonus information for Employee Types for whom the first column (Bonuses) in Part A, question 6 has been checked off.

1. *Payroll date that the bonus was paid.* Report the date or dates on which the bonuses were paid. Note that only bonuses paid between July 1, 2016 and September 15, 2017 may be counted toward compliance.

2. *Summary of bonuses paid.* Report by employee type the following:

    a. Total Bonus Salary Amount. Report the total amount of salary and wages, excluding employer-related tax, paid to the employee as a bonus. If the payment of the bonus triggers an additional required payment, such as an employer match to a 403(b) or 401(k) plan, the facility may include the match amount in the Bonus Salary Amount.

    b. Total employer-related tax Amount. Report the total amount of mandatory payroll taxes paid on the Bonus Salary Amount reported in Part B, 2(a).

c. Total Bonus Amount. Report the sum of Total Bonus Salary Amount (Part B 2(a)) and the Total Employer-Related Tax Amount (Part B 2(b)).

d. Number of employees receiving bonuses. Report the total number of employees who received bonuses. An employee includes full and part time employees of the facility. It does not include employees of temporary nursing agencies.

e. Number of FTEs receiving bonuses. Report the number of full-time equivalents (FTE) receiving bonuses. To determine the FTE amount, for each employee type, sum the total hours of service to the employees receiving bonuses and divide by 2,080.

3. *Bonus Criteria.* Indicate the factors that were used to determine eligibility for the bonus. Mark all that apply. If the facility used a criterion that is not enumerated in the list, check "other" and provide a brief description in the box provided.

(c)   Part C: Statistical and Rate Data

1. *Medicaid Non-Managed Care Patient Days*. Report the number of Medicaid bed days for the specified time period paid by MassHealth and the Massachusetts Commission for the Blind. Do not include residential care ("level IV") days, non-Massachusetts Medicaid days, or Medicaid Managed Care, Senior Care Options, or OneCare days.

2. *Total Patient Days*. Report the facilities total nursing facility patient days, including Medicaid bed hold days. Do not include residential care (level IV) days.

3. *Mean number of beds*. Report the number of licensed operating beds, excluding residential care (level IV) beds. If the facility had a change in its bed licensure during the base or rate period, the facility must report the weighted average number of beds. The weighted average number of beds is ((total beds * days in effect) + (total beds *days in effect)…) / total days in the period.

4. *Total Registered Nurse hours*. Report the number of paid hours for Registered Nurses employed by the facility. Do not include hours for temporary nursing agency staff. Hours include overtime and paid leave hours.

5. *Total Licensed Practical Nurse hours*. Report the number of paid hours for Licensed Practical Nurses employed by the facility. Do not include hours for temporary nursing agency staff. Hours include overtime and paid leave hours.

6. *Total Certified Nurse Aide hours*. Report the number of paid hours for Certified Nurse Aides (CNAs) employed by the facility. Do not include hours for temporary nursing agency staff. Hours include overtime and paid leave hours.

7. *Total Dietary Aide hours*. Report the number of paid hours for the Dietary Aides employed by the facility. Do not include hours for contracted or purchased service staff, management, or Dieticians. Hours include overtime and paid leave hours.

8. *Total Housekeeping Aide hours*. Report the total number of paid hours for Housekeeping Aides. Do not include hours for contracted or purchased service staff or management positions. Hours include overtime and paid leave hours.

9. *Total Laundry Aide hours*. Report the total number of paid hours for Laundry Aides. Do not include hours for contracted or purchased service staff or management positions. Hours include overtime and paid leave hours.

10. *Total Activity Staff hours*. Report the total number of paid hours for Activities Staff. Do not include hours for contracted or purchased service staff. Hours include overtime and paid leave hours.

11. *Total Social Worker hours*. Report the total number of paid hours for Social Worker staff. Do not include hours for contracted or purchased service staff or management positions. Hours include overtime and paid leave hours.

12. Total Direct Care Hours. The form auto-sums lines 4 through 11.

13. Total Direct Care Hours: For Categories that were paid an increase as part of the direct care add-on program. Based on the facility's response to Part A line 6, the form auto-calculates the total direct care hours for only those employee categories that were eligible to receive an increase for the direct care add-on program.

(d) Part D: Expense data

1. *Expenses, Lines 1-48*. Report the expenses for the items specified on Part D, lines 1-48. The account numbers listed are the corresponding account on the HCF-1 Nursing Facility Cost report that is filed annually with the Center for Health Information and Analysis (CHIA). Facilities should report expenses for each line item in accordance with the HCF-1 cost report definitions, except that expenses for management expenses or other ineligible position should be excluded. Only amounts that would be claimed as allowable expenses on the HCF-1 should be reported. Expenses that are not related to the provision of patient care or that would normally be reported on the HCF-1 as "self-disallowed" should not be reported in Part D.

2. *Salaries*. When reporting salaries, facilities should include all salary expenses including bonuses, shift differential, and overtime pay. Do not include amounts paid for services provided to temporary nursing agencies.

3. *Line 49, total bonus amount*. Report the total amount of bonuses paid to employees, as reported in Part B 2(c).

4. *Line 50, SFY2016 Direct Care Add-on Offset.* Report the amount spent by the facility during the period January 1, 2016 – June 30, 2016 to comply with the FY16 Direct Care Add-on, from Part A, line 5.

5. *Line 51, Total Direct Care Expenses*. The form auto-calculates the sum of Part D lines 1 through 48, minus lines 49 and 50.

6. *Line 52, Total Direct Care Expenses: For Categories that were paid an increase as part of the direct care add-on program.* Based on the facility's response to Part A line 6, the form auto-sums the total direct care expenses for only those employee categories that were eligible to receive an increase for the direct care add-on program. In reporting this amount, the form subtracts the corresponding bonus amounts that were included for these staff categories on line 49 and the FY16 direct care add-on amounts for these categories that were included on line 50.

(e) Part E: Compliance Calculation

The form automatically calculates all the values in this section, based on values in Parts A – D and using the formulas indicated.

1. *Total Direct Care Expenses: Eligible Categories*. The total direct care expenses from Part D, line 52.

2. *Total Direct Care Hour: Eligible Categories*. The total direct care hours from Part C, line 13.

3. *Average hourly wage and benefit rate*. The form divides the Direct Care Expenses from Part E, line 1 by the Direct Care Hours from Part E, line 2.

4. *Change in average hourly wage and benefit rate.* The form calculates the difference in the average hourly wage and benefit rate by subtracting the base period Part E, line 3 from the rate period Part E, line 3. If the amount is negative, the form enters zero.

5. *Total direct care hours eligible categories, rate period*. The total direct care hours in the rate period from Part C, line 13.

6. *Rate period wage increase*. The product of the change in average hourly wage and benefit rate from Part E, line 4 and the total direct care hours from the rate period, Part E, line 5.

7. *Total paid and bonuses*. The bonus amounts paid by the facility, from Part B, line 2.c.

8. *Total amount credited toward compliance*. The form auto-sums the rate period wage increase from Part E, line 6 and the amount paid as bonuses from Part E, line 7.

9. *SFY17 Direct Care Add-on funding.* The amount the facility received as direct care add-on funding from Part A, line 4, column B, multiplied by 1.125.

   ** For interim filing only, the revenue amount is pro-rated by a factor of 1.125 to ensure consistent comparison to 9 months of cost data.

10. *Direct Care Add-on funds not spent (or impermissibly spent)*.   The Direct Care Add-on funding from Part E, line 9 minus the amount credited toward compliance from Part E, line 8. If the amount is negative, the form enters zero.

11. *Penalty*. The form calculates the penalty amount, if applicable, by multiplying 25% and the Direct care add-on funds not spent (or impermissibly spent).

12. *Amount to be recovered*. The form calculates the sum of the Direct care add-on revenue not spent and the penalty. This sum is the amount that may be subject to recovery by EOHHS as described in section 4 of this bulletin.

Certification: A facility owner, partner, or officer must certify the accuracy of the reported data before the Compliance Form can be submitted to MassHealth.

v.4-18-17