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Administrative Bulletin 22-15

101 CMR 204.00: Rates of Payment to Resident Care Facilities

Resident Care Cost Quotient

July 1, 2022

Background

In accordance with 101 CMR 204.10: *Resident Care Cost Quotient*, the Executive Office of Health and Human Services (EOHHS) is issuing this administrative bulletin to set forth the calculation criteria and reporting requirements for the residential care facilities resident care cost quotient (RCC-Q).

Investments in direct care staff, infection control, and other resident care related expenditures have a direct and meaningful impact on overall resident quality of life, health, and wellbeing. To increase and incentivize greater expenditure in these areas, EOHHS is requiring residential care facilities to begin reporting resident care expenditures and revenue in September 2023 for the purposes of calculating the RCC-Q.

RCC-Q Calculation

The RCC-Q will serve as a mechanism to strengthen resident quality of care by holding rest homes financially accountable for managing their revenue and investing in resident care related costs, including direct care staffing. The Initial, First Interim, and First Final RCC-Q reports will be used to inform future enforcement to ensure investment in resident care related costs. The RCC-Q reports may also inform policy decisions related to increased quality measures and future investments in resident care related expenditures.

(a) The RCC-Q will be calculated for each residential care facility by dividing resident care expenses identified in this administrative bulletin (numerator) by the facility's total revenue, excluding the revenue for non-residential care facility lines of business (denominator):

(i) Expenses:

- Administrator/Responsible Person Salaries
- Clerical Salaries
- Dietary (including supplies)
- Nursing
- Recreational Therapy
- Housekeeping / Laundry (including supplies)
- Plant Operation, Maintenance, Security (not including Utilities and Repairs)
- Employee Benefits (Pensions, Health Insurance, etc.)
- Social Service Workers

- Community Support Coordinators
- Quality Assurance Professional
- Physician Services
- Interpreters
- Behavioral Health Staff
- Pharmacy Consultants
- Staff Development Coordinators
- Worker's Comp
- Payroll Taxes
- Other supplies (for example, PPE, over the counter medications, including infection control measures, incontinence supplies, etc.)

(ii) Revenue:

- Private Pay Resident Revenue
- Any distributions from an endowment account to the operating account
- Public Pay Resident/Department of Transitional Assistance Revenue, including Patient Paid Amount (PPA)
- Non-MA Department of Transitional Assistance Revenue
- Massachusetts Commission for the Blind Revenue
- Other Revenue from Public Source(s) Not Provided Above, including from the Department of Veterans' Affairs
- Ancillary Services Revenue

- (b) Salaries of staff with multiple responsibilities (for example, an employee who has both social worker and administrator responsibilities) must be allocated (approximately) on the RCC-Q report accordingly.

For example: If 60% of the employee's time is spent on administrator duties and 40% on social worker duties, then 60% of the employee's salary should be added to the Administrator/Responsible Person Salaries line, and 40% to Social Service Workers line.

Expenses and revenues must be reported utilizing the accrual method.

Reporting Requirements

(a) Deadlines:

(i) Initial RCC-Q report due: September 1, 2022

- Reporting period: January 1, 2022 – June 30, 2022
- This report will be used to inform the RCC-Q threshold, rate adjustment calculation, and enforcement all of which will be established in subsequent bulletin or another written issuance. Facilities will be required to meet or exceed this threshold beginning in SFY 2024 or be subject to a downward rate adjustment.

(ii) First Interim RCC-Q report due: February 1, 2023

- Reporting period: July 1, 2022 – December 31, 2022
- This report will be used to inform facilities if they are on track to meet the RCC-Q threshold in the SFY2023 reporting period.

(iii) First Final RCC-Q report due: September 1, 2023

- Reporting period: July 1, 2022 – June 30, 2023
- This report will be used for determining whether the facility met that threshold.

(iv) Ongoing Interim RCC-Q reports due: February 1 of each year

(v) Ongoing Final RCC-Q reports due: September 1 of each year

- (b) Both the interim RCC-Q report and the final RCC-Q report must be submitted using the submission form available at the University of Massachusetts Portal at <http://www.umenter.org/nf>.

Contact Information for Provider Questions about the Resident Care Cost Quotient

If you have questions about the information in this administrative bulletin, please email your inquiry to either Meera Ramamoorthy at Meera.e.Ramamoorthy@mass.gov or to Pavel Terpelets at Pavel.Terpelets@mass.gov.