

Policy Goals	Points of Agreement	Policy Reforms and Initiatives
<p><b>Right size the industry and support facilities in adapting to current and future demand</b></p>	<ul style="list-style-type: none"> <li>▪ It is important to have quality nursing facilities available for those who need this level of care</li> <li>▪ There is currently excess bed capacity in the system</li> <li>▪ Structural changes to the industry are needed to ensure longer term financial sustainability</li> <li>▪ A significant percentage of nursing facilities are low quality; chronically low quality facilities are especially troubling</li> <li>▪ Most nursing facilities are struggling financially; margins have fallen over the last few years</li> <li>▪ Nursing facilities in the top quartile of Medicaid mix operate with negative median total margins of -6.2% compared to the industry’s median total margin of -3.2%; negative margins are not sustainable</li> <li>▪ Beds need to be taken offline to solve for excess capacity in the system, directing funding spent on empty beds to support the expansion of other community based services</li> <li>▪ There should be incentives to allow for the conversion of nursing facilities to alternative services such as affordable senior housing and or assisted living units</li> <li>▪ Oversight by the HPC/CHIA should be improved to further all stakeholders’ opportunities to monitor the industry’s financial stability, the review the finances of nursing home licenses owners, and to ensure each home’s staffing sufficiency and worker readiness</li> </ul>	<ul style="list-style-type: none"> <li>▪ Plan to close facilities that are chronically underperformers in quality and occupancy</li> <li>▪ Rate investments that support structural change rather than simply funding broad based rate increases</li> <li>▪ Support and facilitate structural changes to the industry that promote sustainability across the long term care continuum <ul style="list-style-type: none"> <li>○ Low-interest, capital programs to incentivize conversions or colocation of other services</li> <li>○ Voluntary reconfiguration program</li> <li>○ Technical assistance for NFs interested in conversion or closure</li> <li>○ Invest in the Rest Home industry</li> </ul> </li> </ul>
<p><b>Establish a Reasonable and Sustainable Rate Structure</b></p>	<ul style="list-style-type: none"> <li>▪ A new and simplified rate structure should be based on five reasonable and sustainable core components: <ul style="list-style-type: none"> <li>○ One integrated rate structure</li> <li>○ Differentiated levels of payment based on complexity and acuity</li> <li>○ Rate structure that incentivizes higher occupancy</li> <li>○ Progressive rate structure</li> <li>○ Material incentives for quality</li> </ul> </li> <li>▪ Payments should be based on utilization and quality</li> <li>▪ The current payment system does not adequately account for acuity or complex patient populations</li> <li>▪ A new payment system should include a transition from the current MMQ system to the MDS</li> <li>▪ Full compliance of the nursing home user fee should be enforced</li> </ul>	<ul style="list-style-type: none"> <li>▪ Establish one integrated rate structure based on five proposed building blocks of a sensible, sustainable rate structure. This includes: <ul style="list-style-type: none"> <li>○ Eliminating the MMQ and basing reimbursement on the MDS assessment with possible additional payments (e.g. SUD members and other resource intensive conditions)</li> <li>○ Incentives for higher occupancy and high percentage of Medicaid</li> <li>○ A progressive rate structure and payments linked to quality achievement and improvement</li> </ul> </li> <li>▪ Update efficiency standards to reflect current utilization</li> <li>▪ Update base year costs</li> <li>▪ Structure rates to incentivize higher occupancy to invest in people and not empty beds</li> <li>▪ Increase compliance of the user fee assessment through additional payment and licensing enforcement tools</li> </ul>
<p><b>Promote Quality</b></p>	<ul style="list-style-type: none"> <li>▪ Rates and market forces are not enough to preserve quality nursing facilities and reduce low-quality beds. The state should consider other tools including, but not limited to, incentives, assistance and sanctions to achieve those goals</li> <li>▪ The DPH licensing process for nursing facilities should be modified to strengthen ‘suitability review’</li> <li>▪ The Nursing Facility Task Force should consider the voice of the patient in its policy discussions and recommend the implementation of survey to recognize the patient experience</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strengthen and or expand programs such as the DPH SPOT program</li> <li>▪ Enhance DPH’s licensing and ‘suitability review’ authority and processes</li> <li>▪ Promote and incorporate the resident experience by implementing a resident survey</li> <li>▪ Establish performance based grant program for specific quality initiatives</li> <li>▪ Develop and strengthen state direct care staffing standards as a leading indicator of care quality</li> <li>▪ Establish performance based grant program for specific quality initiatives that incentivize labor-management efforts to improve care quality.</li> </ul>
<p><b>Ensure a Sustainable Workforce</b></p>	<ul style="list-style-type: none"> <li>▪ It is important to support nursing facility direct care staff to improve retention, promote recruitment and ensure both quality of care and workplace standards</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strengthen the direct care staff by requiring wage requirements similar to the medical loss ratio requirements imposed on health plans</li> <li>▪ Support and provide resources to provide opportunities for advancement and to increase recruitment and retention initiatives</li> <li>▪ Evaluate and identify opportunities to improve the CNA certification process</li> <li>▪ Improve staffing by structuring the MassHealth reimbursement process to require sufficient and increased spending on labor costs.</li> <li>▪ Improve HPC/CHIA reporting from the nursing home industry on employer’s ongoing efforts that demonstrate planning and investment in worker readiness</li> </ul>