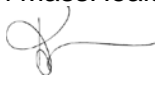




**MassHealth  
Nursing Facility Bulletin 137  
December 2013**

**TO:** All Nursing Facilities Participating in MassHealth

**FROM:** Kristin L. Thorn, Medicaid Director 

**RE:** **Nursing Facility Pay for Performance Program for Fiscal Year 2014**

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**Background**

The purpose of this bulletin is to describe the MassHealth Nursing Facility Pay for Performance (NF P4P) Program for fiscal year 2014 (FY14) and the requirements nursing facilities must meet in order to participate in and receive incentive payments under that program. Participation in the NF P4P program is voluntary. Interested facilities must submit an application by **February 7, 2014**, as further described in this bulletin.

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**About the Program**

The intent of the NF P4P program is to reward nursing facilities for excelling at or improving the quality of services they provide to MassHealth members. The program awards incentive payments to eligible nursing facilities in an effort to improve quality of care within facilities. Funding is based on the total budget for the NF P4P program (\$2.8 million) and the number of facilities that apply and meet the threshold requirements. Facilities must also achieve certain performance levels on selected quality measures. MassHealth will determine the number of facilities that qualify and the amounts of incentive payments to be made to those qualifying facilities, based on the following requirements.

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**Program  
Participation  
Requirements**

Participation in the NF P4P program is a two-step process, open to all nursing facilities participating in MassHealth in FY14. All facilities, including those facilities that qualified for participation in FY13, must meet the FY14 P4P program participation requirements.

First: Nursing facilities must meet certain threshold requirements (see *Step 1: Threshold Requirements* that follows). Second: Upon meeting these thresholds, they must complete and submit an application in the prescribed format (see *Step 2: Application Requirements* that follows). MassHealth must receive applications by February 7, 2014.

For facilities that meet eligibility threshold requirements; Quality Measure Comparison Reports, with the baseline performance score; attainment threshold; high-performance threshold; and results will be distributed in May 2014. For more information, see the *Quality Measure* section of this bulletin.

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**Step 1: Threshold Requirements**

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To be considered eligible for the FY14 P4P program, nursing facilities must meet the following four threshold requirements for the program.

1. Facilities must not have an “immediate jeopardy” designation by the Massachusetts Department of Public Health, or be designated by CMS as a special focus facility, between July 1, 2013, and June 30, 2014.
2. Facilities must be enrolled as a MassHealth nursing facility for at least one day between July 1, 2013, and June 30, 2014.
3. Facilities must have at least one paid MassHealth day during the measurement year of FY14 (July 1, 2013, through June 30, 2014).
4. Facilities must demonstrate the existence of the “cooperative-effort” policy. A cooperative-effort policy is defined as the establishment of a committee whose purpose is to help improve quality of care within a facility for the NF P4P program.
  - a. The MassHealth NF P4P program does not require individual nursing facilities to create a new committee for this program. The facility can leverage the resources present in the Quality Assurance Committee (QC) that currently exists within facilities to focus on quality-improvement efforts and that also, *at a minimum*,
    - i. has at least quarterly meetings;
    - ii. for all committee discussions on quality-improvement efforts that focus on the MassHealth NF P4P program, must
      1. **include at least one certified nursing assistant (CNA) or geriatric nursing assistant (GNA)** to promote a balanced number of managers and nonlicensed direct-care staff attending the QC meetings when discussing the P4P program; and
      2. conduct the first meeting *before* the facility submits the application by **February 7, 2014**.

Additional staff attending the QC meetings for other items not related to the NF P4P program are not required to participate in the NF P4P portion of the meeting.

- b. Demonstration of the cooperative-effort policy includes the following requirements.
  - i. The facility must sign and return to MassHealth an attestation (see Attachment A), indicating compliance with this policy, as defined above in item 4(a). Facilities may use electronic signatures to formally sign the attestation. Along with the attestation, the facility must also submit a copy of its written cooperative-effort policy and the minutes from the last QC meeting. Minutes must be typed and not handwritten, and include names, titles, and signatures of the members attending the meeting. Information in the minutes that do not pertain to the MassHealth NF P4P program must be redacted from the minutes submitted to MassHealth. **Please review Attachment B, which is a sample application, before completing the FY14 program application.**

**Step 1: Threshold Requirements**  
(cont.)

- ii. If audited, the facility must extend full cooperation to MassHealth to ensure that the policy is as defined in item 4(a) above and contains the documentation indicated in 4(b)(i) above. This may include, but is not limited to,
    1. review of documentation about the QC that consists of
      - a. the committee roster;
      - b. meeting agendas;
      - c. meeting minutes with the matching meeting date and printed names, titles, and signature of attendees; and
      - d. other documentation that MassHealth deems appropriate to determine the existence of the committee and its focus on quality-improvement efforts on consistent staff assignment; and
    2. onsite audit activities, such as:
      - a. interviewing staff involved in the committee to validate participation in the committee and involvement developing quality-improvement projects related to the NF P4P program; or
      - b. other relevant activities as determined by Office of Long Term Services and Supports (OLTSS).
- 

**Step 2: Application Requirements**

To be considered for participation in the program, applicants must submit a completed NF P4P program application, prepared by the facility's QC lead, to MassHealth by **February 7, 2014**. The application form is available at [www.mass.gov/masshealth](http://www.mass.gov/masshealth), on the MassHealth Provider Forms page, under Long Term Care–Nursing Facilities.

Facilities are strongly encouraged to send the application electronically by e-mail to [NFP4PProgram@state.ma.us](mailto:NFP4PProgram@state.ma.us). You may also send the application by U.S. mail to the following address.

Nursing Facility Pay for Performance Program  
Office of Long Term Services and Supports  
One Ashburton Place, 5th Floor  
Boston, MA 02108

Please see Attachment A for information on how to submit your application.

**Please note:** If you are submitting your application by e-mail, you must send it by midnight, February 7, 2014. If you are submitting it by U.S. mail, it must be postmarked by midnight, February 7, 2014.

If you have questions, please submit an e-mail to [NFP4PProgram@state.ma.us](mailto:NFP4PProgram@state.ma.us).

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**Quality Measures  
Program Component**

The NF P4P program will measure facility performance on selected quality measures that focus on improving the quality of care and services delivered to MassHealth members. Participation in the NF P4P program will be based on all three measures. Facilities **should not** select a specific quality measure when applying for the program. Facilities will be measured on all three quality measures.

OLTSS has generated Quality Measure Baseline Reports (Baseline Reports), which are based on Minimum Data Set (MDS) 3.0 data reports that nursing facilities submit to CMS. The MDS 3.0 data reports are federally required under 42 CFR 483.20. These quality measures are developed in accordance with 42 CFR 483.25(l), titled "Unnecessary drugs"; 42 CFR 483.25(c), titled "Pressure sores"; and 42 CFR 483.25(d), titled "Urinary Incontinence."

The selected long-stay quality measures below will be used in the FY14 P4P program.

*Percent of long-stay residents who received an antipsychotic medication*  
*Percent of long-stay high-risk residents with pressure ulcers*  
*Percent of long-stay residents with a Urinary Tract Infection*

Specifications for the measure can be found in Attachment C. These specifications were used in the Baseline Reports.

Facilities received their Baseline Reports from the OLTSS by mail in early October 2013. The Baseline Report provides the facility's baseline performance score, as well as the benchmarks for the quality measure. The MDS 3.0 data from Quarter 4 of 2012 represents the baseline, or starting period, for each facility's performance on the quality measure.

The benchmarks consist of the high-performance threshold and the attainment threshold. The high-performance threshold is the 25<sup>th</sup> percentile of all Massachusetts nursing facility baseline performance scores, representing high performance on the measure and the standard for achievement for the quality measure. The attainment threshold is the 50<sup>th</sup> percentile, representing the minimum performance threshold for the quality measure.

The NF P4P program will reward nursing facilities for achieving certain performance levels on the quality measure. The baseline performance score and benchmark results will be compared with performance in Quarter 4 of 2013 (October through December 2013). Also, the baseline data will be used to calculate improvement between the baseline reporting period and the comparison (payment) period. OLTSS will use the CMS MDS 3.0 data for Quarter 4 of 2013 to generate a Quality Measure Comparison Report (Comparison Report).

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**Quality Measures  
Program Component**  
(cont.)

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Nursing facilities have an opportunity to qualify for incentive payments based on performance in Quarter 4 of 2013. The comparison report will demonstrate, using MDS 3.0 data from Quarter 4 of 2013, whether facilities have improved upon their baseline performance score and/or met or performed better than the high performance or attainment thresholds (25<sup>th</sup> and 50<sup>th</sup> percentiles, respectively). Based on this data, OLTSS will determine which facilities qualify for payment based on their comparison scores. Please note that lower scores represent better performance on the measure selected for this program. Also, performance is based on all three quality measures. Facilities may receive payment if they meet the high performance or attainment thresholds or show improvement.

For facilities that meet the program-eligibility requirements as outlined on Pages 2 and 3, the quality measure comparison report will be distributed by May 2014 and will demonstrate, using Quarter 4 of 2013 (October through December), whether facilities improved upon the baseline performance score or met or performed better than the performance benchmarks (25<sup>th</sup> and 50<sup>th</sup> percentiles).

**Thus, facilities have had time from the distribution of the baseline Quality Measure report in October 2013 through December 2013 to work toward improving their score for the selected quality measure.**

The incentive payment structure for the NF P4P program centers on rewarding high performance and improvement. NF P4P incentive payments will be made as follows.

Payments will be calculated on a MassHealth paid-day basis for nursing facilities that

- meet or perform better than the 25<sup>th</sup> percentile high-performance threshold for the quality measure;
- meet or perform better than the 50<sup>th</sup> percentile attainment threshold for the quality measure; or
- demonstrate improvement over their baseline performance score.

To participate in the quality-measure component, your facility must have at least 10 residents (as defined in Attachment C) who meet the requirements as defined by CMS for at least one of the quality measures.

**(Please note that, for the selected quality measures for this program, a lower score is better.)**

Facilities will receive a detailed letter with their Baseline Report. The letter also describes the Comparison Report. Attachment D contains information on the methodology of how facilities will be scored and paid for the quality measure.

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**Submission Items**

Applicants must submit the following by **February 7, 2014**.

1. **Application:** Submit the NF P4P program application, completed by the nursing facility's QC lead, that includes the legal name of the facility as it appears on its license; facility address; provider ID number; name; and contact information, including e-mail address, for the primary contact for the P4P applications; as well as the name and contact information for the facility's administrator and business office manager.
  2. **Attestation:** Sign the attestation that the Cooperative Effort policy has been met and that the nursing facility is not in jeopardy and not a special focus facility during the measurement year (July 2013 through June 2014). Facilities may use an electronic signature to formally sign the attestation. Attestation must be accompanied by
    - a. a written policy for a cooperative effort process; and
    - b. minutes from the most recent Quality Assurance Committee (QC) meeting with signatures of all QC members present at the meeting.
- 

**Attachments**

This bulletin includes the following attachments.

- Copy of the *Nursing Facility P4P Program FY14 Application Form*;
  - Cooperative Effort Policy; Committee Staff Roster; and Attestation (Attachment A)
  - A revised sample filled-in application form (Attachment B);
  - Measure specifications (Attachment C); and
  - Explanation of Performance Payment Methodology for the Quality Measures (Attachment D).
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**NF P4P Incentive Payments**

The FY14 incentive payments will be distributed among those nursing facilities determined to be eligible for payment by the Executive Office of Health and Human Services (EOHHS).

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**Questions**

If you have any questions about the information in this bulletin, please e-mail your inquiry to [NFP4PProgram@state.ma.us](mailto:NFP4PProgram@state.ma.us).

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# MassHealth Nursing Facility Pay For Performance Program FY 14 Application Form



## Application Instructions

Applications must not exceed 10 pages in length and must not be handwritten. All applications must be submitted to MassHealth by February 7, 2014. A copy of the written policy for a cooperative effort process and minutes from the most recent Quality Committee meeting must be included with this application.

Applications can be sent electronically to [NFP4PPProgram@state.ma.us](mailto:NFP4PPProgram@state.ma.us) or by U.S. mail to the following address.

Nursing Facility Pay for Performance Program  
Office of Long Term Services and Supports  
One Ashburton Place, 5th Floor  
Boston, MA 02108

## Facility Information

Facility legal name:

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Facility address:

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Facility administrator's name:

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Facility administrator's e-mail address:

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Primary contact name:

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Primary contact e-mail address:

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MassHealth provider ID:

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Business office administrator's name:

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## Cooperative Effort Policy

1. Describe the written policy for a cooperative effort policy in the facility. (Note: for facilities that passed and participated in the FY 13 NF P4P program, the same or updated policy that meets the criteria set forth in this bulletin may be used for this application.) Provide a copy of the minutes from the last Quality Assurance Committee (QC) meeting. The content of the minutes must be focused on one of the selected long-stay quality measures. The minutes must be from the most recent QC and contain signatures of QC members present at the meeting. Minutes must include the correct meeting date and names of the members attending the meeting. The date on the minutes must correspond to the date on the staff roster (refer to Attachment B, Table 1: Staff Roster). Information in the minutes that do not pertain to the MassHealth NF P4P program must be redacted from the minutes submitted to MassHealth. (Note: Minutes must be from a meeting that took place between October 1, 2013, and February 6, 2014.)





2. In the following Staff Roster table, provide the names of staff members attending the QC meeting. The committee must consist of at least one nonlicensed direct care staff member. Nonlicensed staff must be Certified Nursing Assistants (CNAs) or Geriatric Nursing Assistants (GNAs). The staff roster date must correspond to the date of the submitted meeting minutes.

### Table 1—Quality Committee Staff Roster

#### Quality Committee Meeting

| Position | Printed Staff Name | Credentials | Signed Staff Name (Signatures Required) | Meeting Date |
|----------|--------------------|-------------|---|--------------|
|          |                    |             |   |              |
|          |                    |             |   |              |
|          |                    |             |   |              |
|          |                    |             |   |              |
|          |                    |             |   |              |

## Attestation (Please read carefully and sign.)

I certify under the pains and penalties of perjury that the information on this form and any attached statement that I have provided has been reviewed and signed by me, and is true, accurate, and complete, to the best of my knowledge. I also certify that I am the provider or, in the case of a legal entity, duly authorized to act on behalf of the provider. I understand that I may be subject to civil penalties or criminal prosecution for any falsification, omission, or concealment of any material fact contained herein.

I also certify that this nursing facility is in compliance with the Cooperative Effort Policy for participation in the Nursing Facility P4P Program. This policy includes the existence of a committee that includes at least one nonlicensed direct-care staff member. Nonlicensed staff must be CNAs or GNAs.

I understand that if this nursing facility is qualified for and awarded incentive payments, representatives of employees, including CNAs or GNAs, and management shall jointly discuss how to expend such incentive payments.

I understand that the Office of Long Term Services and Supports (OLTSS) may audit this facility to ensure that the standard is being met. This may include, but not be limited to, providing documentation about the committee; onsite review of documentation; discussions with applicable facility staff; and other activities as determined necessary by OLTSS.

Provider's signature (Signature and date stamps, or the signature of anyone other than the provider or a person legally authorized to sign on behalf of a legal entity, are not acceptable. Facilities may use an electronic signature to formally sign the attestation.):

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Printed legal name of provider:

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Printed legal name of individual signing (if the provider is a legal entity):

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Date: \_\_\_\_\_

If you have any questions about this application, please send inquiries to [NFP4PPProgram@state.ma.us](mailto:NFP4PPProgram@state.ma.us).

**Did you do the following?**

- Fully complete the facility information, including your MassHealth provider ID?
- Enclose your written cooperative effort policy that meets the criteria set forth in Step 1 of this bulletin?
- Provide a copy of the Quality Assurance Committee (QC) minutes that reflect the meeting's focus on one of the three quality measures?
- Ensure that the meeting minutes reflect the most recent QC meeting that occurred between October 1, 2013, and February 6, 2014?
- Ensure that the meeting minutes have the printed names and signatures of all QC members, including the CNA or GNA that attended the meeting on the date stated on the meeting minutes?
- Sign, date, and print your name and the provider name on the attestation?



## MassHealth Nursing Facility Pay For Performance Program FY 14 Application Form

### Application Instructions

Applications must not exceed 10 pages in length and must not be handwritten. All applications must be submitted to MassHealth by February 7, 2014. A copy of the written policy for a cooperative effort process and minutes from the most recent Quality Committee meeting must be included with this application.

Applications can be sent electronically to [NFP4PProgram@state.ma.us](mailto:NFP4PProgram@state.ma.us) or by U.S. mail to the following address.

Nursing Facility Pay for Performance Program  
Office of Long Term Services and Supports  
One Ashburton Place, 5th Floor  
Boston, MA 02108

### Facility Information

Facility legal name: ABC Nursing Facility

Facility address: 11 Main Street, Boston MA 02111

Facility administrator's name: Sarah Smith

Facility administrator's email address: Sarah.Smith@abccenter.com

Primary contact name: Sarah Smith

Primary contact e-mail address: Sarah.Smith@abccenter.com

MassHealth Provider ID: 110003169A

Business office administrator's name: Paul Williams

**Cooperative Effort Policy** *[Please note: this includes both the cooperative effort policy instructions as well as sample responses.]*

**INSTRUCTIONS:**

1. Describe the written policy for a cooperative effort policy in the facility. **(Note: For facilities that passed and participated in the FY 13 NF P4P program, the same or updated policy that meets the criteria set forth in this bulletin may be used for this application.)**

**SAMPLE RESPONSE:**

ABC Nursing Facility has the following cooperative effort policy that it instituted in February 2013.

**Cooperative Effort Policy**

**Purpose:** To help improve the quality of care within ABC Nursing Facility for MassHealth's Nursing Facility Pay for Performance Program.

**Standards:**

- A. The Cooperative Effort Committee will meet at least quarterly.
- B. For all committee discussions about the MassHealth NF P4P program, the committee will include at least one CNA or GNA to promote a balanced number of managers and nonlicensed direct-care staff attending the QC meetings when discussing the P4P program.
- C. The goal of the committee is to reduce antipsychotic drug use by educating staff, residents, and families about the use of antipsychotic medications.
- D. The committee will develop an agenda for its meetings and record minutes and attendance of staff for all meetings.

**INSTRUCTIONS:**

1. (continued) Provide a copy of the minutes from the last Quality Assurance Committee (QC) meeting. The content of the minutes must be focused on one of the selected long-stay quality measures. The minutes must be from the most recent QC and contain signatures of QC members present at the meeting. Minutes must include the correct meeting date and names of the members attending the meeting. **The date on the minutes must correspond to the date on the staff roster** (refer to Attachment B, Table 1: Staff Roster). Information in the minutes that do not pertain to the MassHealth NF P4P program must be redacted from the minutes submitted to MassHealth. (*Note: Minutes must be from a meeting that took place between October 1, 2013, and February 6, 2014.*)

**SAMPLE RESPONSE:**

Cooperative Effort Committee Meeting: October 23, 2013

| <b>Meeting Topic</b>              | <b>Discussion</b>   | <b>Action</b>                                       | <b>Person(s) Responsible</b>     |
|-----------------------------------|---|---|----------------------------------|
| Quality Measure Baseline Report   | Baseline report was distributed.  | Group will review baseline report rates.            | M. Brown; C. Martin; A. Anderson |
| Behavioral Care Planning          | Discussion held on establishing a training program aimed at improving behavioral assessments. | Team will meet to discuss training curriculum.      | A. Anderson; M. Brown.           |
| Antipsychotic Medication Tracking | Discussion held on how to track medication usage in facility.                                 | Team will discuss tracking process at next meeting. | C. Martin.                       |

**Cooperative Policy (cont.)**

**INSTRUCTIONS:**

2. In the following Staff Roster table, provide the names of staff members attending the QC meeting. The committee must consist of at least one nonlicensed direct care staff member. Nonlicensed staff must be CNAs or GNAs. **The staff roster date must correspond to the date of the submitted meeting minutes.**

**SAMPLE RESPONSE:**

**Table 1—Quality Committee Staff Roster**

**Quality Committee Meeting: October 23, 2013**

| <b>Position</b>         | <b>Printed Staff Name</b> | <b>Credentials</b> | <b>Signed Staff Name (Signatures Required)</b> | <b>Meeting Date</b> |
|-------------------------|---------------------------|--------------------|--|---------------------|
| Physician               | Dr. Mark Jones            | M.D.               | <i>Dr. Mark Jones</i>                          | 10/23/13            |
| Nurse Manager           | Jane Martin               | DNS                | <i>Jane Martin</i>                             | 10/23/13            |
| Administrator           | Mary Brown                | Administrator      | <i>Mary Brown</i>                              | 10/23/13            |
| Certified Nursing Asst. | Chris Jackson             | CNA                | <i>Chris Jackson</i>                           | 10/23/13            |

**Attestation (Please read carefully and sign.)**

I certify under the pains and penalties of perjury that the information on this form and any attached statement that I have provided has been reviewed and signed by me, and is true, accurate, and complete, to the best of my knowledge. I also certify that I am the provider or, in the case of a legal entity, duly authorized to act on behalf of the provider. I understand that I may be subject to civil penalties or criminal prosecution for any falsification, omission, or concealment of any material fact contained herein.

I also certify that this nursing facility is in compliance with the Cooperative Effort Policy for participation in the Nursing Facility P4P Program. This policy includes the existence of a committee that includes at least one nonlicensed direct care staff member. Nonlicensed staff must be Certified Nursing Assistants (CNAs) or Geriatric Nursing Assistants (GNAs).

I understand that if this nursing facility is qualified for and awarded incentive payments, representatives of employees, including CNAs or GNAs, and management shall jointly discuss how to expend such incentive payments.

I understand that the Office of Long Term Services and Supports (OLTSS) may audit this facility to ensure that the standard is being met. This may include, but not be limited to, providing documentation about the committee, onsite review of documentation, and discussions with applicable facility staff, and other activities as determined necessary by OLTSS.

Provider's signature (signature and date stamps, or the signature of anyone other than the provider or a person legally authorized to sign on behalf of a legal entity, are not acceptable. Facilities may use an electronic signature to formally sign the attestation.):

*Sarah Smith*

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Printed legal name of provider:

ABC Nursing Facility

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Printed legal name of individual signing (if the provider is a legal entity):

Sarah Smith

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Date:

1/14/14

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If you have any questions about this application, please e-mail inquiries to [NFP4PProgram@state.ma.us](mailto:NFP4PProgram@state.ma.us).



Did you do the following?

- Fully complete the facility information, including your MassHealth provider ID?
- Enclose your written cooperative effort policy that meets the criteria set forth in Step 1 of this bulletin?
- Provide a copy of the Quality Assurance Committee (QC) minutes that reflect the meeting's focus on one of the three quality measures?
- Ensure that the meeting minutes reflect the most recent QC meeting that occurred between October 1, 2013, and February 6, 2014?
- Ensure that the meeting minutes have the printed names and signatures of all QC members, including the CNA or GNA that attended the meeting on the date stated on the meeting minutes?
- Sign, date, and print your name and the provider name on the attestation?

**MassHealth  
Nursing Facility Bulletin  
November 2013  
Attachment C**

MassHealth Nursing Facility Pay-for-Performance (P4P) Program—FY13 Quality-Measure Specifications<sup>1</sup>

**Percent of Long-Stay Residents Who Received an Antipsychotic Medication**

|                           |  |
|---------------------------|--|
| <b>Measurement Period</b> | Baseline: October through December 2012 (Q4 CY12)  |
| <b>Numerator</b>          | Long-stay residents with a selected target assessment indicating that antipsychotic medications were received  |
| <b>Denominator</b>        | All long-stay residents with a selected target assessment, except those with any of the following related conditions present on the target assessment (unless otherwise indicated):<br>1. Schizophrenia;<br>2. Tourette’s Syndrome;<br>3. Tourette’s Syndrome on the prior assessment if this item is not active on the target assessment and if a prior assessment is available; or<br>4. Huntington’s Disease. |

**Percent of Long-Stay High-Risk Residents with Pressure Ulcers**

|                           |   |
|---------------------------|---|
| <b>Measurement Period</b> | Baseline: October through December 2012 (Q4 CY12)   |
| <b>Numerator</b>          | Long-stay residents with a selected target assessment indicating high risk for pressure ulcers <i>and</i> presence of Stage II-IV ulcers  |
| <b>Denominator</b>        | All long-stay residents with a selected target assessment who meet the definition of high risk for pressure ulcers, except those for whom the target assessment is an admission or readmission/return assessment, or those who are not in the numerator and have missing data for any of the pressure ulcer data elements |

**Percent of Long-Stay Residents with a Urinary Tract Infection**

|                           |  |
|---------------------------|--|
| <b>Measurement Period</b> | Baseline: October through December 2012 (Q4 CY12)  |
| <b>Numerator</b>          | Long-stay residents with a selected target assessment indicating a urinary tract infection within the last 30 days   |
| <b>Denominator</b>        | All long-stay residents with a selected target assessment, except those for whom the target assessment is an admission or readmission/return assessment, or those who have missing data for the urinary tract infection data element |

<sup>1</sup> Measure specification descriptions are from the MDS 3.0 Quality Measures User’s Manual v8.0: 4/15/13. The specs exclude specific coding elements.

## **Nursing Facility Pay for Performance FY13 Explanation of Performance Payment Methodology for Quality Measures**

The MassHealth Nursing Facility Pay for Performance (NF P4P) Program plans to use a method adapted from CMS's Value-Based Purchasing (VBP) initiative to determine performance payments for the quality measure component of the MassHealth NF P4P Program. This method allows nursing facilities to receive payments for:

- meeting a specific high-performance threshold;
- meeting a minimum-attainment threshold; or
- improving the performance since the baseline performance score.

The quality-measure component of the NF P4P Program for Fiscal Year 2013 (FY13) focuses on three quality-of-care measures: pressure sores, urinary tract infections, and use of antipsychotic medications. For all three measures, a lower score indicates better performance. **Facilities can become eligible for a performance payment for each of the three quality measures.**

The NF P4P program will reward nursing facilities for achieving certain performance levels on the quality measures. The Office of Long Term Services and Supports (OLTSS) generated Quality Measure Baseline Reports (Baseline Reports), which are based on Minimum Data Set (MDS) 3.0 data reports that nursing facilities submit to CMS. Facilities received their Baseline Reports from the OLTSS by mail in early October 2013. The baseline data were collected during Quarter 4 of 2012 (October through December 2012). OLTSS will use the CMS MDS 3.0 data for Quarter 4 of 2013 to generate a Quality Measure Comparison Report (Comparison Report). OLTSS will send participating facilities the Comparison Report in May 2014.

The Baseline Report provides the facility's baseline performance score, as well as the two benchmarks for the quality measure. The MDS 3.0 data from Quarter 4 of 2012 represents the baseline, or starting period, for each facility's performance on the quality measure. The benchmarks consist of the high-performance threshold and the attainment threshold. The high-performance threshold is the 25th percentile of all Massachusetts nursing facility baseline performance scores, representing high performance on the measure and the standard for achievement for the quality measure. The attainment threshold is the 50th percentile, representing the minimum performance threshold for the quality measure. (Lower scores indicate better performance for all three measures.) The high-performance threshold and the attainment threshold were adapted from the CMS VBP initiative.

To participate in the quality measure component, a nursing facility must have at least 10 residents (as defined in Attachment C) who meet the CMS requirements for this quality measure included in the facility's Baseline Report. Nursing facilities have an opportunity to qualify for incentive payments based on performance in Quarter 4 of 2013. The Comparison Report will demonstrate, using MDS 3.0 data from Quarter 4 of 2013, whether facilities have improved their baseline performance score and/or met or performed better than the high-

performance or attainment thresholds (25th and 50th percentiles, respectively). The baseline data will be used to calculate **improvement** between the baseline reporting period and the comparison (payment) period. (See Appendix D. 1 for the data-collection time periods, and Appendix D. 3 for a glossary of terms used in this document.) With this data, OLTSS will determine which facilities qualify for payment based on their comparison scores. Please note that lower scores represent better performance on the measures selected for this program. So, a score of 0% is the best possible score for the measure, while a score of 100% is the worst possible score.

To summarize: data and scores from the **baseline** quarter (October through December 2012) will be used to establish thresholds; data and scores from the **comparison** quarter (October through December 2013) will be used to determine improvement and payments.

### Payment Scenarios

Three opportunities exist for nursing facilities to receive pay-for-performance payments for the quality measure. Nursing facilities can receive payments if they:

1. meet or perform better than the baseline **high-performance threshold** *in the comparison quarter*;
2. improve measure scores *in the comparison quarter* from their **baseline** quarter score (a facility does not have to meet or perform better than the attainment threshold in the **comparison** quarter to be eligible for an improvement, but must have had a sufficient number of residents in the baseline quarter to have received a baseline measure score);  
**or**
3. meet or perform better than the baseline **attainment threshold** *in the comparison quarter*.

The amount of payment depends on which of the above conditions the nursing facility meets. If a facility qualifies for payment under multiple scenarios, it will receive the higher of the applicable payment amounts.

Please note that no payments will be made **solely** on the results of the Baseline Reports that were sent in October 2013. The baseline data were used to establish the 25<sup>th</sup> percentile high-performance threshold, the 50<sup>th</sup> percentile (median) attainment threshold, and the individual nursing facility baseline performance levels.

Please also note that a facility **must** have at least **10** or more residents who are eligible for each measure in the comparison quarter data in order to be eligible for payment for that measure. If a facility does not have at least 10 residents eligible for a particular measure in the comparison data, the facility will not be penalized. As long as the facility meets the 10-resident requirement for at least one of the three measures, the facility will be eligible to receive the same amount of payment (depending on performance) that it would have if it met the 10-resident requirement for all three measures. The objective of this policy is to avoid penalizing smaller facilities that may not reach the 10-resident requirement for all three measures.

### Quality-Measure Example 1: Facility Met/Performed Better than High-Performance Threshold for Antipsychotic Medication Use Measure

#### Calculation 1: XYZ Nursing Facility

Comparison Quarter Score: **17.0%**

High-Performance Threshold: **17.3%** (25<sup>th</sup> percentile of nursing facility baseline scores)

Attainment Threshold: **22.6%** (median of nursing facility baseline scores)

Based on the CMS MDS 3.0 data that was released, the 25<sup>th</sup> percentile high-performance threshold was 17.3%. This means that the highest-performing 25% of Massachusetts nursing facilities had antipsychotic-medication use scores of 17.3% or lower for their long-stay residents. The attainment threshold, or median (50<sup>th</sup> percentile), indicates that half of Massachusetts nursing facilities had antipsychotic medication-use scores of at least 22.6% or lower for their long-stay residents.

The high-performance threshold and attainment threshold values established in the baseline data, 17.3% and 22.6%, will be applied to facility scores in the comparison quarter (October through December 2013).

In this hypothetical example, the facility's comparison score is lower (better) than the high-performance threshold of 17.3%, so the facility will be eligible to receive full payment for this measure. (Since the comparison score is lower than the high-performance threshold, it does not matter what the facility's baseline score was.)

### Payment Calculation for Example 1: Facility Met/Performed Better than High-Performance Threshold

In Quality Measure Example 1, XYZ Nursing Facility performed better than the high-performance threshold score, so it is eligible for the full incentive payment, per MassHealth-paid day. (*Please note that MassHealth-paid resident day data are from calendar year 2012.*)

#### Payment Calculation Assumptions:

- XYZ Nursing Facility had 10,000 MassHealth-paid days in 2012.
- Payment level per MassHealth-paid day for meeting/performing better than high performance threshold = \$1.00.
- Performance score is 1, meaning facility qualifies for 100% of the per-day payment.

Using these hypothetical assumptions, and the following formula, the result is as follows.

**Payment = (# MassHealth paid days) \* (High Performance Threshold  
Payment\*Performance Score)**

= (10,000) \* (\$1.00\*1.0)

= (10,000) \* (\$1.00)

= **\$10,000** incentive payment to XYZ Nursing Facility

**Quality-Measure Example 2: Facility Met Attainment Threshold and Improved since Baseline Score for Antipsychotic Medication-Use Measure**

Calculation 2: **ABC Nursing Facility**

Baseline Quarter Score: **27.9%**

Comparison Quarter Score: **19.95%**

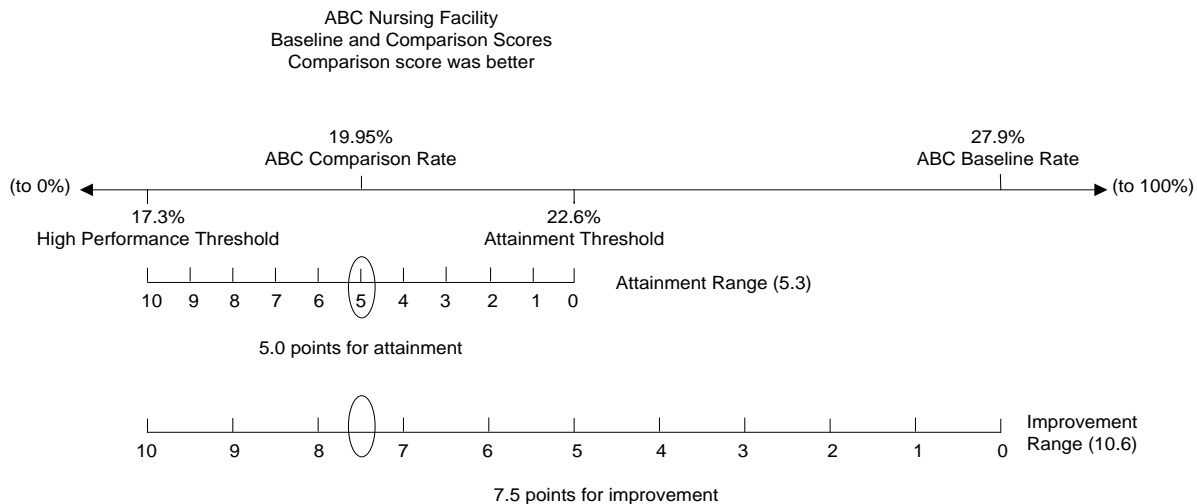
High-Performance Threshold: **17.3%** (25<sup>th</sup> Percentile of Nursing Facility Baseline Scores)

Attainment Threshold: **22.6%** (Median of Nursing Facility Baseline Scores)

In this second example of performance payment calculation, the facility does not meet the high-performance threshold, but could still qualify for payment based on either attainment of the median value or improvement since its baseline score. Here, the facility's baseline score was 27.9%, but their comparison score improved to 19.95%. This score qualifies for payment under both Scenarios 2 and 3: the comparison score is below the attainment threshold (median) from the baseline period (22.6%), and is also an improvement on the facility's baseline score (27.9%). The facility will be eligible to receive the higher of the two payments, either attainment or improvement.

How are the attainment and improvement payments calculated? First, the **attainment range** and the **improvement range** are defined. The attainment range is defined as the scale between the attainment threshold (median) and the high performance threshold (25<sup>th</sup> percentile), while the improvement range is defined as the scale between the individual facility's baseline measure score and the high-performance threshold. For this quality measure, the attainment range is 5.3 (22.6% – 17.3%), and the improvement range is 10.6 (27.9% – 17.3%). The following chart (Graphic 1) uses number lines to help with visualizing this example.

Graphic 1: Antipsychotic Drug Measure (Lower is better)



Facilities are awarded **attainment points** and **improvements points** based on where their comparison scores fall on each range. In this example, ABC Nursing Facility's comparison score of 19.95% is half the "distance" between the attainment threshold (22.6%) and the high-performance threshold (17.3%) on the number line representing the attainment range. Thus, the facility receives half of the available points (5) as its attainment score. For the improvement points, the facility's comparison score (19.95%) is three-quarters of the "distance" between the facility's baseline score (27.9%) and the high-performance threshold (17.3%), meaning that the facility receives 7.5 points as its improvement score. (See Appendix D. 2 for details on calculation of points.)

In this example, ABC Nursing Facility would receive a higher score for improvement (7.5) than for attainment (5.0), so their payment will be based on improvement (7.5 points).

### **Payment Calculation for Example 2: Facility Improved since Baseline**

In Example 2, ABC Nursing Facility received 7.5 points for improvement from its baseline score, so it is eligible for 75% of the incentive payment, per MassHealth-paid day. (Please note that MassHealth-paid resident day data are from calendar year 2012.)

#### *Payment Calculation Assumptions*

- ABC Nursing Facility had 10,000 MassHealth-paid days in 2012.
- Payment level per MassHealth-paid day for meeting/performing better than the high-performance threshold = \$1.00.
- Performance score is 0.75, meaning that the facility qualifies for 75% of the per-day payment.

Using these hypothetical assumptions, and the following formula, the result is as follows.

$$\begin{aligned} \text{Payment} &= (\# \text{ MassHealth paid days}) * (\text{High Performance Threshold} \\ &\text{Payment} * \text{Performance Score}) \\ &= (10,000) * (\$1.00 * 0.75) \\ &= (10,000) * (\$0.75) \\ &= \mathbf{\$7,500} \text{ incentive payment to ABC Nursing Facility} \end{aligned}$$

### **Quality Measure Example 3: Facility Met/Exceeded Attainment Threshold for Antipsychotic Medication-Use Measure**

#### Calculation 3: **LMN Nursing Facility**

Baseline Quarter Score: **16.0%**

Comparison Quarter Score: **20.5%**

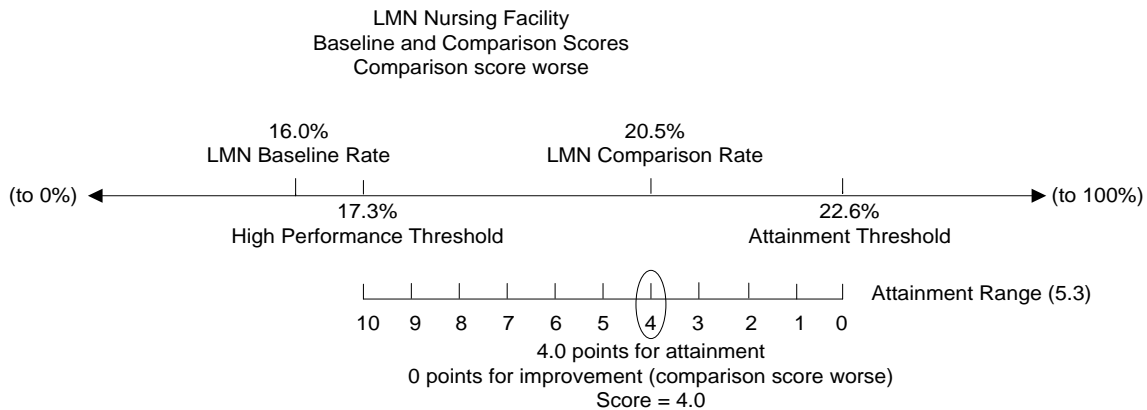
High Performance Threshold: **17.3%** (25<sup>th</sup> Percentile of Nursing Facility Baseline Scores)

Attainment Threshold: **22.6%** (Median of Nursing Facility Baseline Scores)

In this case, LMN Nursing Facility's antipsychotic medication use baseline score of 16.0% was lower (meaning better) than the 25<sup>th</sup> percentile high performance threshold of all Massachusetts nursing facility scores, which was 17.3%. However, the performance payments are not based solely on the baseline scores, so the comparison score will determine their eligibility for payment. In this example, the facility's comparison score was not as good, with the antipsychotic medication-use score going up to 20.5% of residents.

LMN Nursing Facility will not be eligible for payment under Scenario 1 (meeting or performing better than the high-performance threshold) or Scenario 3 (improvement since baseline score), but it will be eligible to receive payment under Scenario 2 (meeting the attainment threshold). The facility's comparison score of 20.5% is better than the attainment threshold, or median baseline score, of 22.6%. Graphic 2 (on the next page) shows how LMN Nursing Facility's attainment points are calculated. (Also, see Appendix D. 2 for details on calculation of the value of attainment points.)

Graphic 2: Antipsychotic Drug Measure (Lower is better)





### Payment Calculation for Example 3: Facility Met/Exceeded Attainment Threshold

In Example 3, LMN Nursing Facility received 4.0 points for performing better than the attainment threshold score, so it is eligible for 40% of the incentive payment, per MassHealth-paid day. (Please note that MassHealth-paid resident day data are from calendar year 2012.)

#### *Payment Calculation Assumptions*

- LMN Nursing Facility had 10,000 MassHealth-paid days in 2012.
- Payment level per MassHealth-paid day for meeting/performing is better than the high-performance threshold = \$1.00.
- Performance score is 0.4, meaning facility qualifies for 40% of the per-day payment.

Using these hypothetical assumptions, and the following formula, the result is as follows.

$$\begin{aligned} \text{Payment} &= (\# \text{ MassHealth paid days}) * (\text{High-Performance Threshold} \\ &\text{Payment} * \text{Performance Score}) \\ &= (10,000) * (\$1.00 * 0.4) \\ &= (10,000) * (\$0.4) \\ &= \mathbf{\$4,000} \text{ incentive payment to LMN Nursing Facility} \end{aligned}$$

**APPENDIX D. 1: Data Collection Dates**

**Baseline Data:**

The CMS MDS 3.0 data used to establish the baseline (25<sup>th</sup> percentile high-performance score and median-attainment threshold) was released in April 2013. The data represent MDS 3.0 resident assessments made from October through December 2012.

**Comparison Data:**

The CMS MDS 3.0 data used as comparison scores will be released in April 2014. The data will represent MDS 3.0 resident assessments made from October through December 2013.

**APPENDIX D. 2: Formulas Used in Payment Calculations 2 and 3**

**Calculation of Points in Example 2:**

$$\begin{aligned}\text{Attainment Points} &= ((\text{Attain-Score})/\text{AttRange}) * 10 \\ &= ((22.6-19.95)/5.3) * 10 \\ &= (2.65/5.3) * 10 \\ &= 0.5 * 10 \\ &= 5.0 \text{ Points}\end{aligned}$$

*Score* = Facility's measure score in comparison quarter

*Attain* = The attainment threshold, or median baseline score (22.6%)

*AttRange* = Attainment range (between median and high performance score; 5.3 percentage points in this example)

$$\begin{aligned}\text{Improvement Points} &= ((\text{PrevScore-Score})/\text{ImpRange}) * 10 \\ &= ((27.9-19.95)/10.6) * 10 \\ &= (7.95/10.6) * 10 \\ &= 0.75 * 10 \\ &= 7.5 \text{ Points}\end{aligned}$$

*Score* = Facility's measure score in comparison quarter

*PrevScore* = Facility's measure score in baseline quarter

*ImpRange* = Improvement range (between baseline score and high performance threshold; 10.6 percentage points in this example)

### Calculation of Points in Example 3:

$$\begin{aligned}\text{Attainment Points} &= ((\text{Attain-Score})/\text{AttRange}) * 10 \\ &= ((22.6-20.5)/5.3) * 10 \\ &= (2.1/5.3) * 10 \\ &= 0.4 * 10 \\ &= 4.0 \text{ Points}\end{aligned}$$

*Attain* = The attainment threshold, or median baseline score (22.6%)

*Score* = Facility's measure score in comparison quarter

*AttRange* = Attainment range (between median and high-performance threshold; 5.3 percentage points in this example)

### **APPENDIX D. 3: Glossary of Terms**

**Attainment Points** – A number between 0 and 10 that represents where a facility's quality measure score in the comparison period falls on the scale of the attainment range.

**Attainment Range** – The scale between the attainment threshold (median, or 50<sup>th</sup> percentile) and the high-performance threshold (25<sup>th</sup> percentile), both of which were established in the baseline data.

**Attainment Threshold** – The median, or 50<sup>th</sup> percentile, of all Massachusetts nursing facility baseline scores for a quality measure. (This includes only facilities that had a sufficient number of eligible residents to meet the measure threshold.) The attainment threshold is the minimum level of performance in the comparison data that will make a facility eligible to receive a performance payment for a quality measure.

**Baseline Data** – Quality measure scores calculated from CMS MDS 3.0 data, which was collected during the time periods shown in Appendix D. 1 (above).

**High-Performance Threshold** – The 25<sup>th</sup> percentile of all Massachusetts nursing facility baseline scores for a quality measure. (This includes only facilities that had a sufficient number of eligible residents to meet the measure threshold.)

**Comparison Data** – Quality measure scores calculated from CMS MDS 3.0 data, which was collected for the time periods shown in Appendix D. 1 (above). This data represents time periods one year after the baseline data.

**Improvement Points** – A number between 0 and 10 that represents where a facility's quality measure score in the comparison period falls on the scale of the improvement range.

**Improvement Range** – The scale between a facility's baseline measure score and the high-performance threshold (25<sup>th</sup> percentile) that was established in the baseline data.