



NH Health Care Association



July 11, 2016

Commissioner Jeffrey A. Meyers
Dept. of Health and Human Services
129 Pleasant Street
Concord, N.H. 03301

Dear Commissioner Myers,

The New Hampshire Health Care Association, and the nursing homes represented by the New Hampshire Association of Counties, would like to thank you for helping to establish the Senate Bill 553 Work Group. As the Work Group begins to deliberate we would like to offer the following observations and suggestions.

First, we want to suggest that we “begin with the end in mind.” As put forth in SB 553, the plan for implementation of each phase of Step 2 should address how managed care will achieve the legislative intent of providing **value, quality, efficiency, innovation, and savings** for the services provided to Medicaid beneficiaries. We think these are critical goals and, with respect to nursing homes, we offer some specific questions about attaining these goals to add to the discussion.

In addition to the questions below, there are many other questions that will need to be addressed, including those posed to Commissioner Toumpas in letters dated December 2014 and September 2014 (attached). However, the other high priority issue, for both the private and county nursing homes, remains the issue of Medicaid Quality Incentive Program (MQIP) and Pro Share funding. It is our hope that we can work together to ensure the calculations, and pass-through, of the MQIP and Pro Share funds, for county and private facilities, will be transparent, and auditable, for the future.

VALUE

1. What constitutes “value” in nursing home care?
 - a. The Centers for Medicare & Medicaid Services (CMS) are defining value-based payment initiatives for nursing homes, but they are more focused on short-term skilled services. Do either the NH DHHS or the managed care organizations (MCOs) have specific measures in mind?
 - b. If value is a function of quantity, or the quality, of service for a monetary cost, what are the quantity, or quality, measures that should be applied to nursing home care – and in comparison to what standards or alternative services?
2. Is there, or will there be, a measure of the value that MCOs will bring to the delivery of long-term care services and supports?

QUALITY

1. CMS measures and publishes more than two dozen quality measures of nursing homes that can be compared nationally. In addition, CMS compiles results of the nursing home inspection surveys conducted annually that can be compared.¹
 - a. Are there specific existing quality measures that should be a focus for improvement?
 - b. Are there other measures of quality that NH DHHS or the MCOs propose should be applied and/or improved relative to nursing home care?
2. What, if any, measures of quality should be applied to the performance of MCOs relative to their enhancing the quality of care?
3. Given the CMS requirements for quality nursing care, will the provider agreements reflect provisions that ensures care and services are not impeded under Medicaid Managed Care?

EFFICIENCY

1. This topic is not frequently applied to health care delivery as it requires a comparison of an amount of energy or resource expended per standard measure of work (care) produced. We do think this is a worthwhile topic to discuss as frequent comparisons are made between the costs of nursing home care versus in-home care, per client, per month.
 - a. It is worth noting that over the next few years, CMS will establish a common set of measures (assessment tools) that will allow more direct comparison of the “efficiency” of delivery of post-acute care between nursing homes, home care and inpatient rehabilitation hospitals.
 - b. Do the NH DHHS or the MCOs have a suggested means of comparing the different acuity, or levels of care, in nursing homes relative to other alternative long-term care services, such as home care or adult day care, so that a true objective measure of efficiency can be identified?
2. Will there be an assessment of the efficiency of administering the payment for long-term care services under the present system of “fee-for-service” versus under managed care?
3. Will there be an assessment of the impact of the proposed managed care system on the efficiency of providers regarding the expenditures of resources by providers to comply with the new payment and “care management” system?

INNOVATION

1. We believe this topic warrants some discussion to better understand if there are specific goals for innovation that were intended by the Legislature.

¹According to the most recent measure in the 2015 Nursing Home Data Compendium, New Hampshire had the nation’s second-fewest health deficiencies cited by nursing home.

SAVINGS

1. This is a particularly important topic to the Legislature and all providers. For nursing homes that have operated under the “budget neutrality” system this is a particularly critical question.
 - a. Since the adoption of budget neutrality funding of nursing homes, the Legislature has effectively capped, and controlled, Medicaid costs for nursing home care. What additional control, or limitation, is expected to be gained with the managed care system?
 - b. Does NH DHHS have specific monetary savings targets that are expected to be achieved by implementation of managed care for nursing homes, and, if so, how will those savings be realized?
 - c. The potential future growth of nursing home care due to an aging population is frequently cited as a concern and possible reason to “manage” long-term services. In truth, utilization of nursing home services for long-term care on an age-specific per-capita basis has been declining,² as has absolute utilization of nursing homes. Does NH DHHS have any statistical projections of future utilization that can be discussed?
 - d. What are the potential savings to the state from using MCOs as opposed to the current fee-for-service program administered by Xerox?

We appreciate your commitment to an open process going forward and hope that these questions will provide substantive issues for discussion.

Best Regards,



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N.H. Health Care Association



Ted Purdy
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N.H. Association of Counties

Attachments

²According to the 2015 Nursing Home Data Compendium, the percentage of New Hampshire residents 85-and-older in a nursing home declined from 14.2% in 2011 to 12.6% in 2014.