


Letter of Direction #37

Date: August 4, 2020

To: Centennial Care 2.0 Managed Care Organizations 

From: Nicole Comeaux, Director, Medical Assistance Division

Subject: Capitation and Data Intermediary Payment for Nursing Facility Value Based Purchasing (NF VBP)

Title: 2020 Nursing Facility Value Based Purchasing (NF VBP)

The purpose of this Letter of Direction (LOD) is to provide the Centennial Care Managed Care Organizations (MCOs) with information and direction to implement the Nursing Facility Value Based Purchasing (NF VBP) payment program effective January 1, 2020.

Centennial Care 2.0 MCOs are required to develop and implement a Level 1 VBP program for Long-Term Care providers including nursing facilities. The MCOs have worked with provider advocacy groups and HSD in the development of the NF VBP. HSD has approved the implementation of the NF VBP and has allocated capitation dollars towards the implementation effective in the January 1, 2020 capitation payments.

Background

The NF VBP is a voluntary program developed by the MCOs and the Nursing Facilities. To participate in the NF VBP a nursing facility must fulfil the requirements of the NF VBP program description developed by the NF VBP workgroup which includes: be a Medicaid Certified facility; have Medicaid utilization; be contracted with at least one MCO; submit Minimum Data Sets (MDS) to the Data Vendor; and sign data use agreements with the Data Vendor. If a facility agrees to participate in the NF VBP, they are eligible to receive quarterly payments based on the Medicaid bed days and their quality scores. The quality score will utilize MDS submissions to the Data Vendor to calculate the quality scores. The Nursing Facility will have access to dashboards to monitor their progress on the quality scores as well as potential quarterly payout. The dashboards will be managed through the Data Vendor.



Michelle Lujan Grisham, Governor
David R. Scrase, M.D., Secretary
Nicole Comeaux, J.D., M.P.H, Director

Payment to the MCO

To support the NF VBP, HSD has increased the capitated rates for impacted cohorts in the LTSS program. The payment has been calculated based on the program allocation and the distribution of affected Medicaid members. The MCOs started receiving the increased capitation for these cohorts on January 1, 2020.

Distribution of Data Vendor Payment

The NF VBP requires the use of a Data Vendor to calculate the quality metrics for participating Nursing Facilities. The MCOs entered into an agreement with a Data Vendor for this program and provided the cost to HSD which incorporated it into the capitation amount. Data Vendor's total fees for its performance of the program is prorated equally among the participating MCOs.

Payment Distribution

The Nursing Facilities can earn Foundational, Secondary, and Per Diem Add-On payments based on their Medicaid bed days and their quality scores. Any unspent funds from the Foundational, Secondary, and Per Diem Add-On payments will be allocated towards a High Acuity pool, which will utilize defined diagnostic codes to determine those beds that qualify. The payments will be calculated quarterly with the facility able to review the dashboards throughout the quarter. Once the quarterly payment is finalized with the Data Vendor, the Data Vendor will provide quality scorecards to the facilities and the MCOs. These quality scorecards will determine for each MCO how much to pay for the NF VBP program based on each MCOs distribution of membership. The MCO is to make the payment in accordance with the contract that the participating Nursing Facility signed.

Data Sharing and Reporting

As part of the agreement the Data Vendor will be sharing Nursing Facility performance with the Nursing Facilities, MCOs, and HSD. The MCOs are also required to submit their NF VBP payments and supporting documentation to HSD on the following quarterly HSD VBP FIN report after payments have been submitted to the Nursing Facilities. Payments are reported cumulatively throughout the year on the "NF VBP" work tab and finalized on the Annual Supplemental report.

Monitoring and Reporting

HSD will monitor and compare actual payments made by the MCOs to the Nursing Facilities against the payment amounts included in the capitation payments effective January 1, 2020.

If you have additional questions related to this Letter of direction (LOD) please contact Erica Archuleta at Erica.Archuleta@state.nm.us