

**Summary
Workgroup for Nursing Facility Reimbursement
Tuesday, July 7, 2009
1:00 p.m.–4:00 p.m.**

Members Present

Doug Burr
Tony Marshall
Betty Sorna
Erwin Bodo

AHCA Staff & Other Presenters

Phil Williams
Michele Hudson
Mike Magnuson
David Isted
Erica Wilson
Stephen Russell

Introductions and Review of Summary

Mr. Michael Magnuson opened the meeting with introductions of the workgroup members and presenters. The members unanimously approved the minutes of the May 27th meeting.

Review of Timeline and guiding principles

The Time line agenda is as follows:

- a. August 4: Next workgroup meeting: work through outline.
- b. September 1: Rough draft due: work through draft report.
- c. October 1: Routing to begin
- d. November 1: Present to the Legislature

Mr. Magnuson added that meetings can be canceled or changed around to accommodate the needs of the members, because the meetings are not publicly noticed.

Follow Up:

A. Revised charts from USF Draft Report

Mr. Phil Williams discussed the revised charts from the USF draft report and changes from Dr. Hyer.

B. AIDS rate usage-actual offset dollars as well as days-Stephen Russell

Mr. Stephen Russell discussed the AIDS rate usage charts on actual offset dollars and days. He mentioned that Mr. Jack Shi ran off fiscal year numbers for 06/07 and calendar year for 2008. Evidence for possible “double dipping” was mentioned. Mr. Russell agreed to look at the AIDS data to see if they have offsets and if so, how they are referred to audit.

C. Medicaid population over 65 and over 85- Doug Burr

Mr. Doug Burr discussed the data on the Medicaid population over 65 and over 85 that included several provider types and different care. He mentioned that he was unable to find public data for the Medicaid population over 65 and 85, but found a table for 65 and 75. Mr. Tony Marshall commented that Florida is a low bedded state.

Discussion ensued on moratoriums and allowing exceptions in different areas where beds are closer to capacity. The group discussed the need to offer incentives to build new beds and the problem of expansion.

Georgia FRVS model and additional models-Doug Burr

Mr. Burr discussed the FRVS presentation and differences between proxy and actual appraisals.

Ms. Michele Hudson asked if Maryland had a higher market for onsite appraisals. Mr. Burr responded that there is very little change of ownership once the building is up historically, concerning the adopted state plan. Mr. Marshall suggested staying away from this proposition because it is very costly and has a high rate of error. The group agreed.

The group discussed the net fair rental value proxy approach and the need to give people incentives to keep their buildings maintained. The question, do you want a minimal occupancy adjustment and what are the details, was posed. The group looked at Georgia moving to rs means on a square foot basis versus the number of beds as an example.

It was discussed that every state has location multiplier adjustments based on the location of the building per square foot.

The group discussed that the cost can change based on what the provider does, but with the FRVS model it changes with the economic condition of the state and construction costs.

It was mentioned that Health Quality Assurance (HQA) might have the square footage data needed for the model. Mr. Erwin Bodo mentioned that a lot of renovations may not be reported. Mr. Marshall suggested looking at 1984 and moving forward with the 25 year window. The group agreed.

Mr. Russell stated the benefits of moving to FRVS including accounting for no depreciation and more incentive needed for renovation to keep facilities up. There is a maximum age in these plans, and they don't depreciate buildings to zero. The group discussed that most states cap out of the depreciation around 30-35 years.

Mr. Bodo mentioned two concerns: what the real fixed phase in time frame looks like for a 3-4 year phase in plan and understanding how property payment impact on total Medicaid rates.

Mr. Marshall suggested establishing 2-3 parameters for model purposes of this workgroup. Mr. Williams asked how detailed this model needs to be, should it take the age of buildings as existing and what should the equipment allowance be? Mr. Bodo suggested looking at facilities where information is already available. The group agreed.

Ceiling comparison chart re-done taking 5% from top-Stephen Russell

Mr. Russell discussed the updated ceiling comparison chart. The first page described the current process of setting ceiling and the second page described running ceilings in central classes as an alternative.

The group discussed that with the FRVS method there will be a greater price concern with the North and South part of Florida. Mr. Marshall commented that a small number of facilities will be impacted, but direct care will be largely impacted. Mr. Marshall agreed to review these findings again with the new numbers.

General Discussion

General discussion ensued on other alternatives to alternative central class if it is not adopted. The group also discussed investigating fluctuating costs, using the example to pull out utilities and treat it like property tax.

Mr. Burr agreed to look at the range of RS means.

Discussion of upcoming meetings, topics and schedule 3:45-4:00p.m.

Mr. Magnuson led the discussion on upcoming tasks. Workgroup members brought forth several items that they would like to see at the next meeting. Topics to be discussed for the next meeting’s agenda are as follows:

- Begin model parameters and set w/HQA on square feet and renovation utility-Stephen Russell
- Matrix w/in Geographical areas to become basis for recommendation-Tony Marshall and Erwin Bodo
- Parameters and outline for AHCA report-Michele Hudson and Stephen Russell

Adjournment

The meeting was adjourned at 3:06 PM by Mr. Magnuson.

Action Items

Name	Action Item	Date Assigned	Date Due
Mr. Marshall	Resend draft on fair rental report to Mr. Russell and Mr. Isted.	7/7/09	Next Workgroup Meeting

Name	Action Item	Date Assigned	Date Due
Mr. Russell	Begin model parameters and set w/HQA on square feet and renovation utility.	7/7/09	Next Workgroup Meeting
Mr. Marshall and Mr. Bodo	Get matrix w/in Geographical areas to become basis for recommendation.	7/7/09	Next Workgroup Meeting
Ms. Hudson and Mr. Russell	Create Parameters and outline for AHCA report.	7/7/09	Discussion for Next Workgroup Meeting