

Draft Summary
Workgroup for Nursing Facility Reimbursement
Tuesday, August 4, 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
Susan Dilmore
Brian Smith

Introductions and Review of Summary

Mr. Michael Magnuson opened the meeting with introductions of the workgroup along with the call-in listeners and those in attendance. The workgroup unanimously approved the minutes of the July 7th meeting.

Review of Timeline and guiding principles

The Time line agenda is as follows:

- a. September 1: Rough draft due: work through draft report.
- b. October 1: Routing to begin
- c. November 1: Present to the Legislature

Mr. Tony Marshall suggested using email as a tool for editing documents and for discussion.

Matrix – Mr. Marshall and Dr. Bodo

The matrix was tabled until the next meeting. Mr. Marshall and Dr. Bodo stressed that the matrix will be a key element, will comply with the guiding principle of administrative ease, and may help get calculations away from multiple ceilings.

Review proposed model parameters on square feet and renovation utility – Mr. Russell

Mr. David Isted reviewed the proposed model parameters on square feet and renovation utility, explaining that the table allows for different values to be plugged in. For example, he used a land allowance of 10% that can be plugged into the table and substituted for 15%. Not all are using Fair Rental Value System (FRVS), some are on cost. The group discussed that the new system will do away with people using FRVS or cost and place them on one system.

Dr. Bodo mentioned that there may be a large dollar impact on certain facilities with any changed model and he would like to see any changes transitioned over a 3-4 years. He also said that the close out cost system allows for exceptions to the current FRVS but the new system would not allow for those

exceptions. Mr. Burr discussed the renovation component and how there is a threshold of at least \$500per bed. Mr. Stephen Russell asked the group if the eventual goal will be to phase out the cost system. The group confirmed this. Mr. Tony Marshall mentioned that the final report should mention that the group has analyzed different models. Mr. Burr mentioned that renovation was the main difference between his model and Mr. Isted's model. Dr. Bodo suggested using the money as an incentive for older buildings to renovate as well. He also stressed that there is an indication that nursing home beds will need to go up in the next ten years.

Mr. Marshall suggested that the workgroup come up with some philosophies and see if it worked administratively, and then work on detailed parameters. For example, Doug's tiered depreciation may be an incentive to renovate older buildings rather than David's straight depreciation.

Dr. Bodo also suggested looking at equipment so that it is indexed and not tied to a static dollar amount.

Mr. Marshall suggested getting the real gross square footage of all the buildings and what facilities are actually paying for new buildings.

The group discussed that there may be a reasonable approval process already existing with construction companies and they would need more communication with Health Quality Assurance (HQA). The group discussed the need for information on square footage and suggested using Doug's model, which may err on the high side rather than gathering more data.

Mr. Marshall stated that the total square feet and the total beds are the real numbers and to self adjust based on the value of a new bed based on FRVS.

Discuss outline and parameters for AHCA report – Ms. Hudson and Mr. Russell

Mr. Isted reviewed the raw outline and full report from December 2000. The group discussed using the previous workgroup minutes as a guide for the report. The outline included links to previous reports submitted to the workgroup.

Discussion ensued on how to structure the main points of the rough draft report for the workgroup. Mr. Phil Williams reiterated the purpose of the workgroup as identified in the charter focusing the group away from using the term recommendation. The group discussed the sunshine law and its relevance.

Ms. Hudson suggested that she will need the group's assistance to review sections of the rough draft report and the details on an acceptable transition plan. She also suggested that the report should include items that need legislative direction or proviso authority to move forward. She mentioned the need to use a draft watermark on the pages with dates and times for version control. Mr. Burr suggested looking at strengths, weaknesses, opportunities, and threats (SWOT analysis) for each of the issues to include in report.

General Discussion

Dr. Bodo mentioned that he will take the materials from the meetings to distribute to fellow colleagues and peers within the Nursing Home industry. Mr. Tony Marshall suggested for the industry members to meet in Jacksonville for a concise editorial session to review the report draft. The members agreed.

Mr. Tony Marshall mentioned that there may be an equipment cost issue, like with the ventilators. Mr. Doug Burr suggested having a different fee schedule for the high cost equipment, like prior

authorization and mentioned that there may be access problems for outlier populations, like acutely ill patients that need to be placed out of hospitals. Mr. Burr suggested an alternative payment method for this type of group that has a high cost and low volume. Mr. Williams stated that the agency has in Legislative Budget Request (LBR) to approve for special funding for ventilator patients.

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:

- Rough draft of the report outline.
- Pulling data and cost from the last 10 facilities beginning with index cost and compare them to 10 from 25 years ago and look at RS means per bed for calculations.
- Look at 2000 report to do a calculation on those recommendations and re-examine the parameters.
- Matrix tabled from this meeting.

Adjournment

The meeting was adjourned at 3:21 PM by Mr. Magnuson.

Action Items

Name	Action Item	Date Assigned	Date Due
Stephen Russell	Dr. Bodo requested fair rental value rates for the last 10 facilities compared to 10 older facilities from about 25 years ago.	8/4/09	Next workgroup meeting.
Michele Hudson and Stephen Russell	Rough draft of report outline.	8/4/09	Next workgroup meeting.
MPA Staff	Look at the 2000 report and determine if we can do a calculation on those recommendations and re-examine the parameters, like the elimination of the 10, 10/20 curve and looking at increasing the inflation factors we're using in the FRVS.	8/4/09	Next workgroup meeting.