



Nursing Facility Payment Project

State Fiscal Year 2021 Draft Rate Notification

To: Nebraska Medicaid Providers and other stakeholders

Please see the file below for the initial draft nursing facility per diem rates based on the current proposed nursing facility payment methodology that MLTC has been communicating with stakeholders. The examples illustrate the current modeling of the proposed payment methodology, with the first year being phased in at 50 percent. The draft example rate notification sheets and the rates therein are calculated using State Fiscal Year (SFY) 2018 data and SFY 2021 appropriations from LB294. The file contains five (5) example rate notifications to illustrate rates for providers in various circumstances.

1. The first example demonstrates a provider whose current per diem amount is at the statewide average and would not expect to see a base rate change as a result of the new model, and is a 5 Star facility receiving a quality rate component.
2. The second example demonstrates a provider whose current per diem amount is below the statewide average and would expect to see an increase in the new model, and is a 4 Star facility receiving a quality rate component.
3. The third example demonstrates a provider whose current per diem amount is above the statewide average and would expect to see a decrease in the new model, and is a 3 Star facility receiving a quality rate component.
4. The fourth example demonstrates a provider whose current per diem amount is above the statewide average and would expect to see a decrease in the new model, and is a 2 Star facility ineligible to receive a quality rate component.
5. The fifth example demonstrates a provider whose current per diem amount is below the statewide average and would expect to see an increase in the new model, and is a 5 Star facility receiving a quality rate component.

The draft example rate notification sheets are formatted in a consistent manner as the rate sheets historically provided by MLTC to Nursing Facilities. On the right side of the sheet providers will find the calculated rates for each level of care. Please note that with the proposed plan to remove the bed hold reduced rates, level 105 is no longer applicable, and therefore is not included on the draft rate sheets. Also note that Assisted Living rate calculations are not part of the proposed NF changes and have not been updated or calculated for SFY2021.

On the left side of the draft example rate notifications providers will find the calculations driving the rates provided on the right side of the sheets. Please see below for several key terms and definitions for this section of the draft example rate notifications:

- “Projected impact of full implementation” refers to the projected impact, or change, in the per diem rate for a facility when comparing the provider’s calculated rate for SFY2020 using the new proposed methodology, versus the current, historical methodology. A positive dollar amount in this field indicates an example where a provider is expected to receive a higher per diem payment in the new methodology, when compared to the current methodology.
- “Inflation Factor” refers to the percentage applied to the base rates to increase the base rates to spend the remaining QAA funds, after the calculation of the Quality Assurance Assessment Rate Component. This number is an estimate at this time.
- “First Year Case Mix Transition Adjustment” and “First Year Non-Case Mix Transition Adjustment” refer to the per diem adjustment to the base rates to implement the new methodology at 50% for the first year under the 50% phase in plan for year one. A positive dollar amount in this field indicates an example where a provider is expected to receive a lower per diem payment in the new methodology, when compared to the current methodology.
- “CMS Quality Star Rating” and “Quality Rate Component” demonstrates the CMS Quality Star Rating for a facility, and the dollar per day rate add on that is used to calculate the rate for the facility, if applicable (3 or more stars).