

Commission on Health Care Facilities in the 21st Century



Long Term Care Reimbursement and
Non-Institutional Care Models

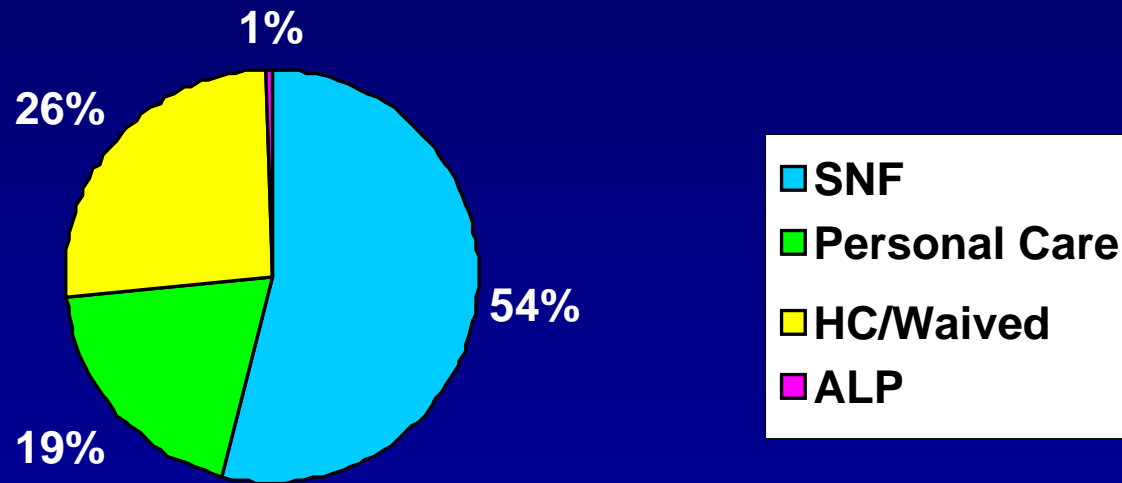
October 2006

Briefing Outline

- Long term care spending
- Medicaid SNF reimbursement method
- Recent reform initiatives
- Alternative payment paradigms
- Home and community-based service options

NYS Medicaid Spends \$11.8 Billion / Year on LTC

NYS Distribution of Medicaid LTC Spending, 2005



Medicaid Dominates Nursing Home Payments

- 78% of all nursing home days
- \$6.2 billion spent on nursing facilities
- 15% of total state budget
- Highest per capita nursing home spending in the nation
- Highest per NH resident spending in the nation

“Facility Specific” SNF Payments

- Traditional model, similar to many states
- Calculated daily rate for each facility
 - 4 expense buckets
 - Peer groupings
 - Base year
 - Resident case mix average
- Daily rates vary widely

2006-2007 Budget Reforms

- Preserves facility-specific pricing model,
- Updates base year to 2002 for all facilities, phased in over 4 years
- Re-basing every 5-6 years
- More sensitive patient classification system
- Per diem adjustments for early dementia, dual diagnoses and bariatrics cases

Alternate Payment Paradigms

- Resident Based Pricing
- Flat Rate Payment

Home and Community Based Service Options

- Long-term home health care
- Certified home health agencies
- Adult day health care program
- Assisted living
- Managed long-term care

Challenges and Questions

- Care is shifting to non-institutional options
 - Patient preferences
 - Olmstead
 - Technology advances
- Workforce issues
- Family caregiver supports
- Cost effectiveness?