SNF Beds Membership Trend

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2018 in Review

• Medicaid
• Medicare
  o 2.4% increase beginning October 1
  o Patient-Driven Payment Model
• Regulatory Relief
Nationwide CMPs Have Decreased

Per Diem CMP Fines per Quarter

- Change in Guidance
- Revised Guidance

$140,000,000 Saved by Change over 18 months
CMP Fines by Region

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Looking Ahead to 2019-2020

Medicaid Reform

Medicare

Regulatory Relief

AHCA

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Why is This Such a Tough Time?
Changing Payment Models

2010

- Medicare Advantage: 25%
- Traditional Fee-for-Service: 75%

N = 47.7 million

2018 E*

- Medicare Advantage: 34%
- Traditional Fee-for-Service: 49%
- ACOs: 17%

N = 56.8 million

Sources: CMS Office of the Actuary for spending and enrollment. Analysis by AHCA for alternative payment model projections.

*Internal AHCA evaluation

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Length of Stay is Declining

- Traditional fee-for-service: 27 DAYS
- ACOs: 17 DAYS
- Medicare Advantage: 14 DAYS

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Population Growth Isn’t Keeping Up

Source: U.S. Census Bureau
As a Result, Occupancy is Down

Source: NIC, “Skilled Nursing Data Report” October 2011 – September 2018

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Why is There Hope?
Demographics Will Start to Help

Source: U.S. Census Bureau
Excellent Providers Can Win in a Declining Market

Seek inclusion in every network

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More Members are Taking on Risk

- 58 products
- 19% of ISNP covered lives are enrolled in LTC provider owned plans

Currently operating
In development

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PDPM Offers Sector Hope

• Patient-Driven Payment Model (PDPM) may be positive
  o Payment in the future based on patient characteristics instead of therapy minutes
  o CMS is committed to budget neutrality on the revenue side
  o PDPM may offer providers operational flexibility that may improve financial results
Provider Preparation Varies Dramatically

• Several large organizations are doing all internal training
• Most other providers appear to be relying on AHCA tools for preparation
• A material part of the sector is clearly not yet preparing
AHCA PDPM Academy

• PDPM 101 workshop webinar
• One-day in person training workshop
• Monthly workshop webinars on key topics and emerging PDPM issues
• “How To” webinars on implementing additional AHCA developed tools
## PDPM State Trainings

### February
- 26 – North Dakota
- 27 – Kentucky
- 28 – Arizona

### March
- 5 – Nebraska & New York
- 6 – Rhode Island
- 7 – Michigan
- 12 – Washington
- 13 – Virginia
- 14 – Delaware
- 15 – Hawaii
- 20 – Alaska
- 26 – North Carolina
- 27 – California
- 28 – New Hampshire & Vermont

### April
- 1 – Alabama
- 4 – Kansas
- 9 – Nevada
- 11 – Missouri
- 16 – Illinois
- 17 – Maine
- 24 – Minnesota
- 25 – Arkansas & Idaho
- 30 – Tennessee

### May
- 7 – South Dakota
- 21 – Pennsylvania
- 22 – Wyoming

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**NASL 2019 Winter Conference**
Initial Impressions

• Response to PDPM Academy has far exceeded expectations
• Most members are highly engaged in preparation
• Not clear yet what the impact of PDPM will be on therapy
Therapy Staffing & Contracting Considerations

• PDPM is an opportunity to rethink the rehabilitation mindset in your organization

• Key areas to consider (in-house or contracted therapy):
  o How will any possible changes in therapy and restorative impact my outcomes for short-stay residents and quality measures for all residents?
  o Based on my current resident case-mix profile, will I see more or less therapy component revenue under PDPM?
  o Are my therapy staffing/contracting costs/provisions in alignment with PDPM, QRP, VBP, and RoP incentives?
  o Do I have the skill set to achieve outcomes goals?
Therapy Contracting Assessment Questions

- Do your therapy contracts include / need quality outcomes provisions (e.g., SNF VBP, SNF QRP, SNF 5-Star)?

- Do your therapy contracts include provisions that pass-through any SNF QRP or SNF VBP adjustments applicable to the dates of service delivery?

- Do your therapy contracts include provisions that include bonus or claw-back provisions should the SNF:
  - Earn a positive SNF VBP rate adjustment?
  - Be subject to negative SNF VBP or SNF QRP rate adjustments?

- How can therapists effectively use non-clinical time to support:
  - Interdisciplinary PDPM pre-admission, MDS completion, care plan development, day-to-day communication, discharge planning, and post-discharge follow-up activities?
  - SNF VBP hospital readmissions rates?
  - SNF QRP reporting compliance and 5-Star quality measure public reporting outcomes for all short- and long-stay residents?
  - More effective restorative nursing programs, particularly in SNFs with CNA shortages?
  - Staff training?