

**South Dakota Nursing Facility Rate Review Project**

**Stakeholder Meeting Agenda**

**September 12, 2022 1:30 PM CT – 2:30 PM CT**

**Participants:**

<b>Stakeholders</b>			
<b>X</b>	<b>First</b>	<b>Last</b>	<b>Position</b>
	Misty	Blackbear	Asst. Division Director DHS LTSS
	Bryan	Breitling	SD Senate District 23
	Marty	Davis	Divisional Vice President of Operations, EmpRes Healthcare Management
x	Mark	Deak	Executive Director, SDHCA
	Anthony	Erickson	Administrator, Avera Sacred Heart
x	Greg	Evans	Audit Manager, Budget and Finance, SD Department of Human Services
	Sarah	Farnsworth	Reimbursement & Grants Manager, Budget & Finance, DHS
x	Steven	Kohler	BFM Deputy Commissioner
x	Kim	Kouri	Manager Cost Reporting, Good Samaritan Society
x	Heather	Krzmarzick	Division Director DHS LTSS
x	Tom	Martinec	Deputy Secretary, SD Department of Human Services
x	Jesse	Naze	Administrator, Seven Sisters Living Center, Hot Springs SD
x	Connie	Ortega	VP Operations, Western Division Legacy Healthcare
	Jacob	Parsons	SDAHO
x	Shawnie	Rechtenbaugh	Cabinet Secretary, SD Department of Human Services
x	Daryl	Reinicke	CEO, Westhills Village
x	Jeremy	Schultes	Administrator, Scotchman Living Center, Philip SD
x	Jeff	Steggerda	Consultant, Brighton Consulting Group
	Chad	Stroschein	CEO, Caring Professionals
x	Laura	Wilson	Administrator, Tieszen Memorial Home

<b>Consultants</b>			
x	Amy	Perry	Myers and Stauffer
x	Dave	Halferty	Myers and Stauffer
x	Chris	Lewis	Myers and Stauffer

**Goals:** Review final draft report.

**Agenda:**

1. Welcome/Goals/Agenda – DHS/MSLC discussed the agenda and meeting goals (slides 1-3)
  
2. Base Recommendations – MSLC reviewed the base rate recommendations noting the estimated expenditures and the cost coverage statistics for each.
  - a. Current Rates – Base Comparison (slide 4)
  - b. Rebase (slide 5)
  - c. Adopt PDPM (slide 6)
  - d. Remove Occupancy Rule for Direct Care (slide 7)
  - e. Remove Overall Rate Increase Limit (slide 8)
  - f. Transition to NF Market Basket (slide 9)

There were a couple of questions about the fiscal impact estimates.

  - The projected Medicaid days for SFY 2024 were used for the estimates.
  - Transitioning to PDPM is nearly budget neutral but appears that it will cause some increase in expenditures. This change is essentially just moving to a different unit of measurement.
  
3. Reduced Funding Options – MSLC presented two options for addressing reduced funding.
  - a. Prorated Rate Calculations (slide 10)
  - b. Methodology Adjustments - Adjust Overall Rate Increase Limit (slide 11)

There were a few questions about the expenditure estimates and options presented.

  - All estimates are presented as total funds (i.e. the state share has not been identified separately). We will add calculations to show what the funding breakdown would most likely look like.
  - The reduced funding options do not take into consideration Medicaid utilization but that could be included as part of a VBP system.
  
4. Additional Recommendations – MSLC discussed additional recommendations that could be added with separate funding and how they could be combined with other options to produce a set percentage of methodology.
  - a. Infrastructure Reinvestment (Capital) (slide 12)
  - b. Eliminate Dual Ceiling Methodology (slide 13)
  - c. Implement VBP as an Add-on (slide 14)
  - d. Automate Extraordinary Care Calculations (slide 15)

There was some discussion about Medicaid occupancy incentives. Such an incentive would be based on the percentage of total days that are Medicaid, and wouldn't be driven by the overall occupancy rate.

5. Workgroup Concerns – Workgroup discussions included thanks for the approach taken and work completed, and some discussion of the reduced funding options.
  - There was a request for additional details about how the estimated Medicaid days total was determined. It was based on a projected increase of 5%.
  - A couple of workgroup members voiced support for using a prorated approach if full funding is not available to implement all of the base recommendations.
  
6. Final Report Timeline – MSLC/DHS discussed the timeline for submitting comments and finalizing the Rate Review Report.
  - Comments from Stakeholders by Friday, September 16, 2022
  - Final Report Released September 19, 2022