

**Illinois Department of Healthcare and Family Services
Nursing Home Rate Review Workgroup Meeting
August 6, 2010**

401 S. Clinton Street, Chicago, Illinois and 201 S. Grand Avenue East, Springfield, IL

Members Present

Julie Hamos, Director, (Chair) Illinois Department of Healthcare and Family Services
Pat Comstock, Health Care Council of Illinois
Arnie Kanter, Barton Healthcare
Dave Lowitzski, Service Employees International Union
Wendy Meltzer, Illinois Citizens for Better Care
Phyllis Mitzen, Health and Medicine Policy Research Group; MFP Client Advocate
Kirk Riva, Life Services Network of Illinois

Members Absent

Tere Garate, Illinois Department of Public Health
Michelle Saddler, Illinois Department of Human Services
Dave Vinkler, AARP

Governor's Office

Melissa Black, Senate President's Staff
Jessica Bruskin
Kristen Clark, Speaker's Staff
Amy Lulich
John P. Slocum, House Republican Staff

Federal Centers for Medicare and Medicaid Services

No representative

Illinois Department on Aging

No Representative

Illinois Department of Financial and Professional Regulations (DPFR)

Rudi Hancock

Illinois Department of Healthcare and Family Services (HFS)

Janice Cherry
Kelly Cunningham
Theresa Eagleson
Barb Ginder
Frank Kopel
Beth LaRocca
Jean Summerfield
Dawn Wells

Providers, Provider Associations, Advocates and Interested Parties

Myla Arumugan, Mental Health Project, University of Chicago Law School
Stephanie Buck, Illinois Pioneer Coalition
Bill Casper, CJE Senior Life
Susan Gardiner, IL Council on Long Term Care
Karen Gillis, Royal Management Corporation, Lexington Health Care
Donna Ginther, Health Care Council of Illinois
Matt Hartman, Health Care Council of Illinois
Mark Heyrman, Mental Health Summit, University of Chicago Law School

Providers, Provider Associations, Advocates and Interested Parties - continued

Cheryl Jansen, Equip for Equality
Dave Lowitzki, SEIU-Healthcare Illinois & Indiana
Mona Martin, Bruce Simon Consulting
Mark Mroz, MADO Health Care
Margaret Niederer, Volunteer Advocate for Improved Long Term Care
Andrea Perry, Royal Management Corporation, Lexington Health Care
Violet L. Radwill, No affiliation listed
Kirk Riva, Life Services Network
Steven Serikaku, Community Renewal Society
Terry Steczo, County Nursing Homes
Terry Sullivan, Health Care Council of Illinois
Kevin Taylor, Health Care Council of Illinois
Jay Terry, Illinois Citizens for Better Care
David Voepel, Health Care Council of Illinois
Matt Werner, Matt Werner Consulting (for LSN)
Windy Wright, Royal Management Corporation, Lexington Health Care

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I. Call to Order

Meeting called to order at 10:00 a.m.

II. Introductions

Attendees in Chicago and Springfield introduced themselves.

III. Opening Remarks

Chairperson Julie Hamos announced the members of the workgroup who are also posted on the Nursing Home Safety Task Force web site at:

<http://www2.illinois.gov/nursinghomesafety/Pages/default.aspx>

She also reminded the group that a report on the recommendation on how to approach Nursing Home Rate changes was required November 1, 2010.

IV. Presentation by Health Care Council of Illinois (HCCI)

Terry Sullivan, from HCCI provided some observations of the the past and current rate system in Illinois and an overview of implementation of rate methodologies and pay for performance (P4P) in other states. Mr. Sullivan indicated that there are 28 states that currently use Resource Utilization Groups (RUGS) and eight that use a case mix system for remibursment, but their rate methodologies, add-ons and P4P varied. For example the most common add-ons are for ventilator and brain injury. Wendy Meltzer asked why Maryland was going to a RUGS methodology. The PowerPoint presentation may be accessed on the Nursing Home Safety Web site at:

<http://www2.illinois.gov/nursinghomesafety/Pages/default.aspx>

The study Mr. Sullivan used regarding rate methodologies in other states was issued by the Long Term Care Community Coalition in March 2009: *Modifying the Case-Mix Medicaid Nursing Home System to Encourage Quality, Access and Efficiency*. The Report by be accessed on the August 6, 2010 meeting section of the above web site, or directly at:

<http://www.nursinghome411.org/documents/finalnationalversionofLTCCCreimbursementstudyreport.pdf>

The HCCI presentation focused on the importance of the restorative philosophy. There were multiple discussions about the need to envision a case mix system with options for add-ons and Pay for Performance. State examples were outlined in the presentation. It was suggested that performance indicators must be designed to carefully define: the outcome, how it will be measured and how it will impact quality of life and quality of care. Quality Indicators need to be carefully crafted to assure that the outcome intended will be achieved and unintended consequences do not occur. Standards must be clearly defined and outcomes monitored. Wendy Meltzer suggested that services for Mental Illness be an add-on. Mr. Sullivan ended his presentation with a commitment to work together to develop a good plan for Illinois.

It was asked if anyone knew of successful transition programs in other states. It was shared that the success of a transition, particularly for complex cases, depends on the linkage to the appropriate services and requires the nursing facility to working collaboratively with community resources.

Pat Comstock indicated that there was a recent field survey to test public opinion on nursing facilities and she would share the results of the survey.

VII. Closing Remarks

Greg Arling, from Indiana University will present on quality based reimbursement systems implemented in other states at the next meeting. He has conducted significant research and published several studies on quality and nursing facility reimbursement systems.

Chairperson Hamos requested the members to conduct research on quality by the next meeting.

VII. Adjournment

Meeting was adjourned at noon. The next Nursing Home Rate Review Work Group will be September 8, 2010, from 2:00 p.m. to 4:00 p.m. at the same locations.