



Nursing Facility Performance-Based Incentive Payment Program (PIPP)

REQUEST FOR PROPOSALS

January 2017

Program Summary: In 2006, the Minnesota Department of Human Services (DHS) launched the Nursing Home Performance-Based Incentive Payment Program (PIPP). PIPP supports provider-initiated projects aimed at improving the quality and efficiency of nursing home care. PIPP strives to:

- ❖ Support efforts to improve quality, increase efficiency, and/or shift resources from institutional to community care;
- ❖ Demonstrate how evidence-based practices can improve the quality and efficiency of care;
- ❖ Encourage providers to innovate and take risks;
- ❖ Foster collaboration and shared learning both within and between organizations;
- ❖ Establish a business case for investment in better quality from the perspective of multiple stakeholders – Medicaid, providers, and consumers; and
- ❖ Identify the key elements of successful quality improvement efforts, costs and benefits, and how they might be disseminated across the nursing home industry.

Provider-initiated projects are selected through a competitive process and funded for up to 5% of the weighted average operating payment rate. Providers risk losing up to 20% of their project funding if they fail to achieve measurable outcomes tied to state nursing home performance measures. Minnesota has made a major investment in PIPP by supporting 252 individual or collaborative projects, representing 271 facilities and total funding of over \$150 million to date.

The Department will implement the Eleventh round of performance-based incentive payments on January 1, 2018. Funding available to implement new projects under this provision for fiscal year ending June 30, 2018 is equal to approximately \$1.5 million (state share). The Department has authority to negotiate amendments to Alternative Payment System (APS) contracts. This communication constitutes the Department's request for proposals to amend an APS contract (RFP).

All Medicaid certified nursing facilities in Minnesota are invited to submit proposals for contract amendments. Nursing facilities with existing contracts for the maximum 5% performance incentive payment for rate year beginning January 1, 2018, are not eligible to apply.

Program Goals: The goal of this RFP is to draw upon the knowledge and creativity of providers as well as best practices in long-term care that have been shown to be effective or hold promise of effectiveness. The Department is interested in proposals that include specific strategies to achieve any or all of three broad goals:

- **Improve the quality of care and quality of life of nursing home residents in a measurable way.** Improved quality can be reflected by improved performance on a quality indicator, but it may also be reflected by slowing the rate of decline or in some instances maintaining the current level.
- **Deliver good quality care more efficiently.** Improving efficiency implies achieving better care-related outcomes without increasing cost or achieving good outcomes for less cost. This could include the use of new technologies, new management or organizational strategies, and other ideas that lead to measurable changes in costs and/or quality.
- **Rebalance long-term care and make more efficient and effective use of resources.** This could include successful diversion or discharge of residents from the nursing facility, reduction of hospitalizations from the nursing home, and improvements in health or functioning that can lower a resident's RUG-IV case mix index score.

General criteria for PIPP proposals submitted are contained in the accompanying “Instructions for Writing a PIPP Proposal” and the required “Fillable Proposal Form”.

Nursing facilities participating in the PIPP program will be required to submit project status information to DHS on a form and in a manner determined by DHS beginning every six months of the project and continuing until completion of the measurement period for the project. The template for PIPP project status reports can be found on the log-in page of the DHS provider portal at <https://nfportal.dhs.state.mn.us>.

A facility may not submit multiple proposals that in total exceed 5% or be a participant in submissions of multiple collaborative proposals that total more than the maximum 5% rate increase.

Resources for Developing Your Request for Proposal: See Appendixes A – D in the instruction manual.

Proposal Submission Requirements: Proposals must be submitted electronically using the **PIPP January 2017 Application Form**. This is a fillable Word document in a table format allowing for expansion of each section as needed. The form is available on the DHS provider portal at <https://nfportal.dhs.state.mn.us>

The fillable form is divided into several required sections. The form is in a table format allowing for expansion of each section as needed. Completion of each section is required. An instruction manual for completion of the form is also available on the same website. It is critical that you review the instruction manual carefully. In addition, within the instruction manual you will find examples for many of the required sections. These examples are fictitious and only written to assist you in preparing your proposal. The examples are not intended to convey a topic area that would receive priority by the selection committee.

The fillable form must be submitted to DHS as an email attachment by midnight on May 1, 2017. The email address for submission is: DHS.NFRP.CostReport@state.mn.us

Proposal Review Process: Department of Human Services, Nursing Facility Rates and Policy staff will review all proposals received by the deadline to determine all required components are included in the proposal. Proposals that do not contain all required sections will not move forward to the second phase of the evaluation.

A selection committee will be convened by the Department of Human Services to conduct the second phase review of all proposals that passed Phase I. The selection committee will make recommendations to the commissioner. The selection committee will include staff from DHS, the Department of Health, and stakeholder representatives. DHS will enter into negotiations with those providers recommended by the selection committee. In addition to the general criteria listed above, criteria that will be used by the selection committee in reviewing the proposals include:

- Importance – is it clear that the proposal addresses a priority issue? How well does the proposal address the goals of the performance based incentive payment program?
- Evidence-based – proposal draws on clinical or organization evidence, expert opinion, or experience in other settings.
 - The goals are objective, measurable and reliable – will it be clear that the goals were attained

or not? Is facility specific baseline data included as the basis for demonstrating improvement in achieving goals? Are Minnesota Nursing Home Report Card measures shown at <http://nhreportcard.dhs.mn.gov/> used to measure performance? If non-Report Card measures are proposed, how well do they meet the following criteria:

- There is evidence for the reliability and validity of the measure based on previous studies or applications.
 - The measure is collected and analyzed by a third party (for instance, the post-acute quality of care measures on Medicare's Nursing Home Compare website).
 - If not, does the facility/collaborative have the expertise and resources to complete the data collection (and analysis, if necessary)?
- Innovative – priority will be given to new concepts or partnership arrangements but they should have a strong rationale.
 - Broad-based applicability – can the strategy be shared with other facilities? Does the strategy address a common problem?
 - Prospective – outcome goals must be prospective but the strategy can build on historical accomplishments.
 - Feasibility – likelihood that the strategy will be successful.
 - Collaboration – the collaborative has a clear plan of involvement for each participating entity.
 - Sustainability – likelihood the strategies will result in sustainable results after the payment period ends.

Tentative Implementation Schedule:

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| May 1, 2017 | Proposals due by midnight Attach the application to an email and send to: DHS.NFRP.CostReport@state.mn.us |
| May 2017 | Phase I review of proposals Phase II review and selection of proposals |
| June 2017 – October 2017 | Negotiate contracts |
| January 1, 2018 | Incentive payments begin |

Round 12 will occur on approximately the same annual schedule starting with the issuance of a Request for Proposals in January 2018.

For technical assistance in preparing your RFP response, please contact, Teresa Lewis, MN Department of Human Services at (651) 431-4208 or email at Teresa.lewis@state.mn.us