

# Update on Nursing Homes Quality Adjustment

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Case Study in Alternative Quality  
Adjustment Methodology

# What is the output of nursing homes?

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Provision of care and services to residents



# Nursing Home Output

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- Study by Center for Medicare and Medicaid Services



# Nursing Home Output

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- Nurse Staffing Levels
- Quality of Care



# Nursing Home Output

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- Update of Nursing Staff Hours
  - Data for each Nursing Home updated at least once every 15 months on a flow basis



# Nursing Home Quality Adjustment

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- Data :
  - Total Nursing Staff Hours
  - RNs Hours per Resident
  - LPNs Hours per Resident
  - CNAs Hours per Resident
  - Number of Residents

# Nursing Home Quality Adjustment

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Provnum: 395380	12/02	1/03
Number of residents:	144	154
RNHR:	1.33	1.17
LPNLVNHR:	0.18	0.29
CNAHR:	3.06	2.71
TOTALHR:	4.57	4.17

	12/02	1/03	Change in staffing intensity
RNHR	1.33	1.17	-0.16
LPNLVNHR	0.18	0.29	0.11
CNAHR	3.06	2.71	-0.35



# Nursing Home Quality Adjustment

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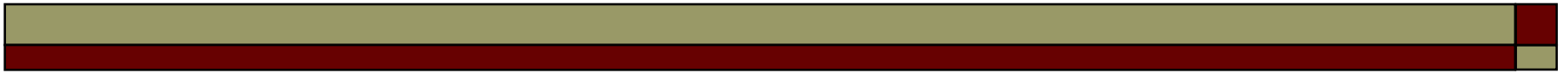
- BLS Wage Data
- Average Hourly Earnings
- Change in Nursing Staff Hours



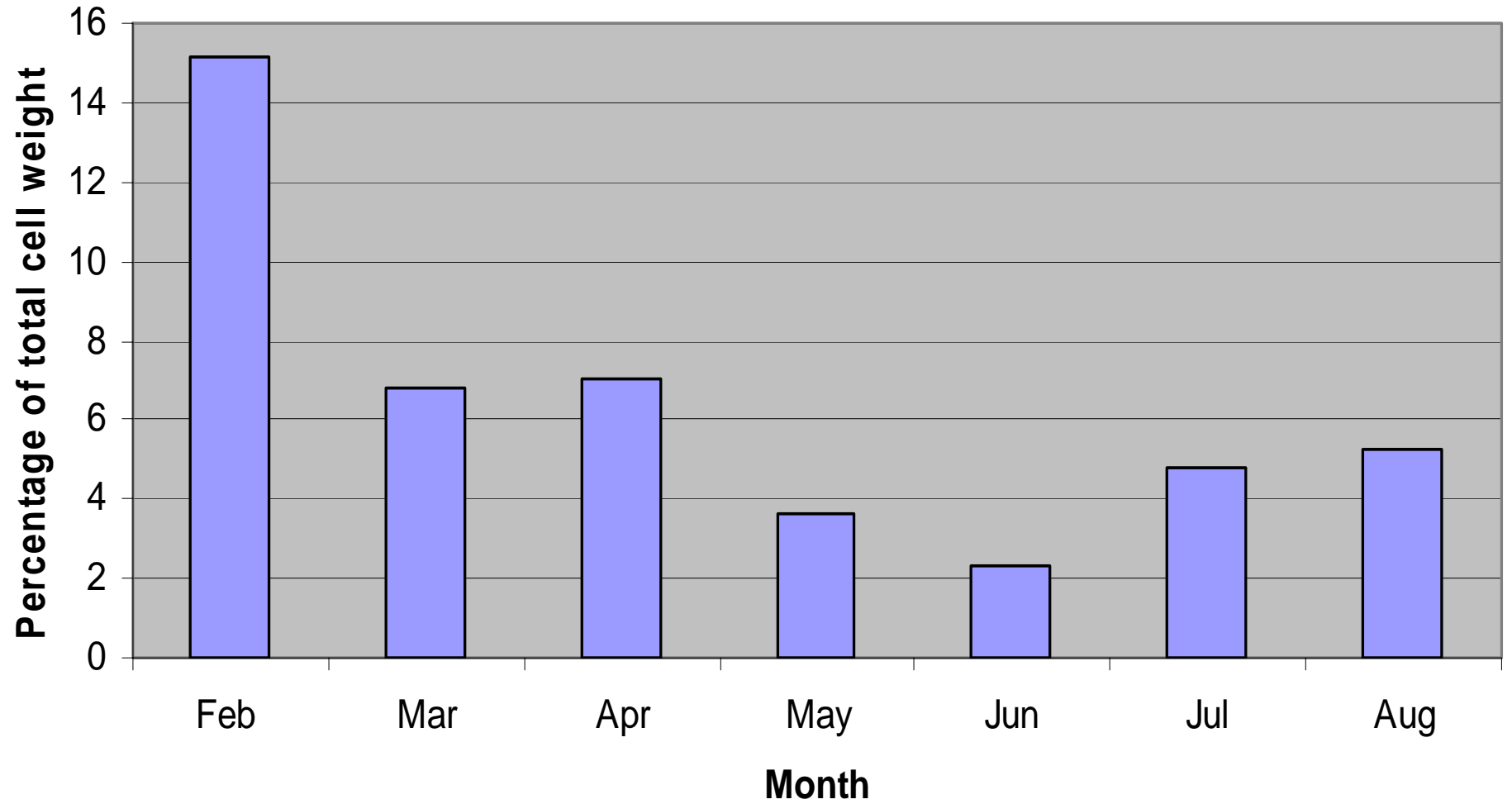
# Nursing Home Quality Adjustment

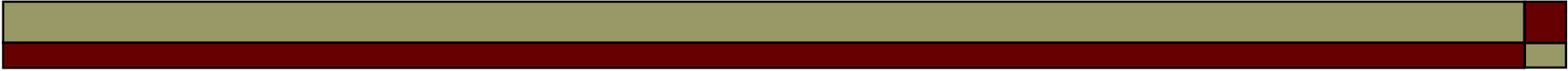
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Change in RNHR times wage:	$-.016 * \$23.19 = -\$3.7104$
Change in LPNLVNHR times wage:	$0.11 * \$15.14 = \$1.6654$
Change in CNAHR times wage:	$-0.35 * \$9.54 = -\$3.3390$
Summation of marginal cost of new input requirements	$-\$5.3840$

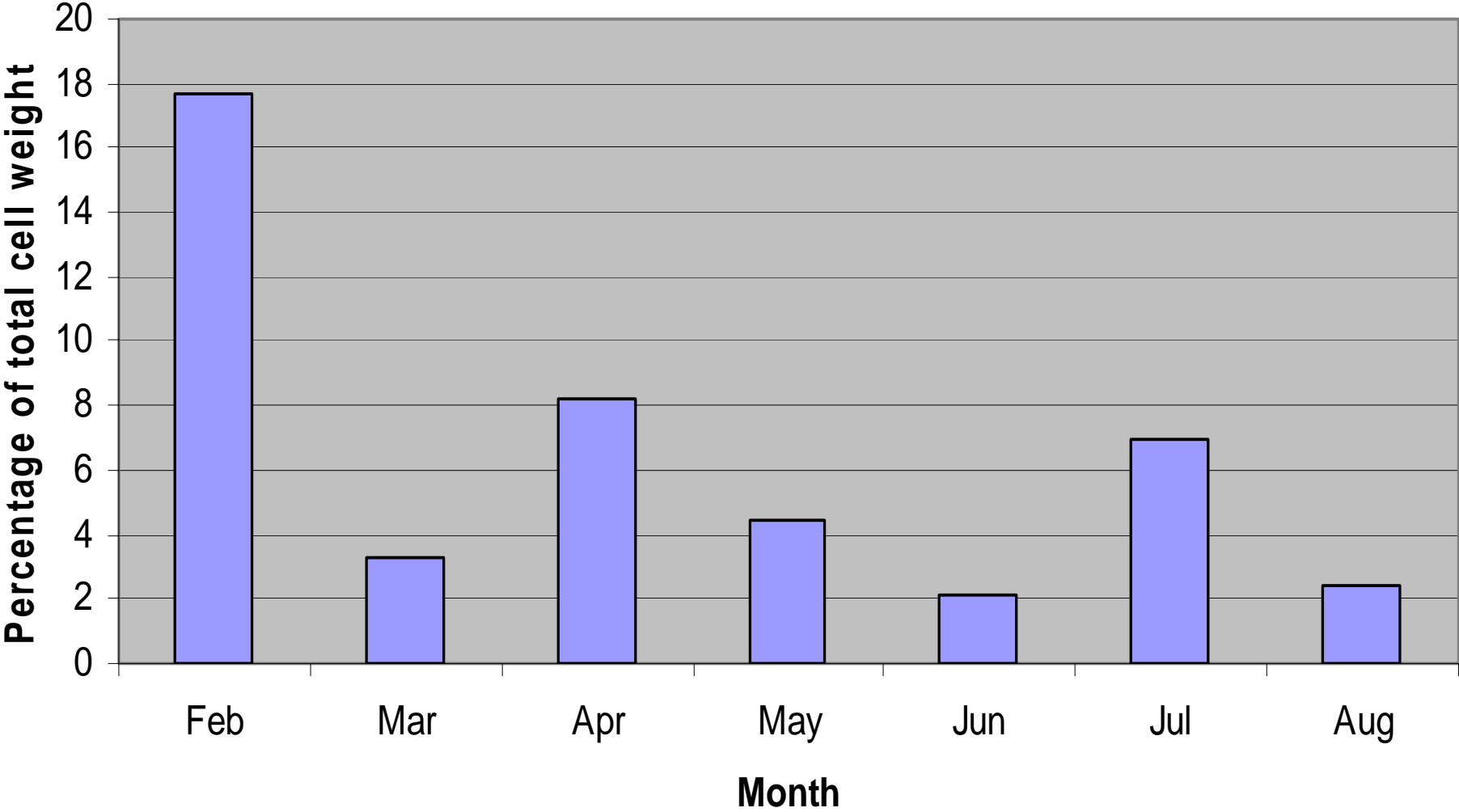


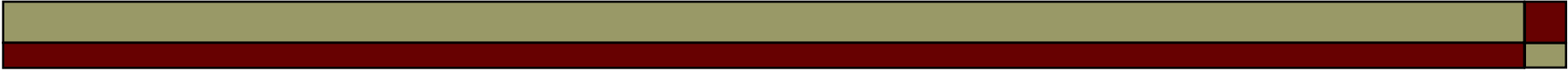
### Chart 1: Public payors



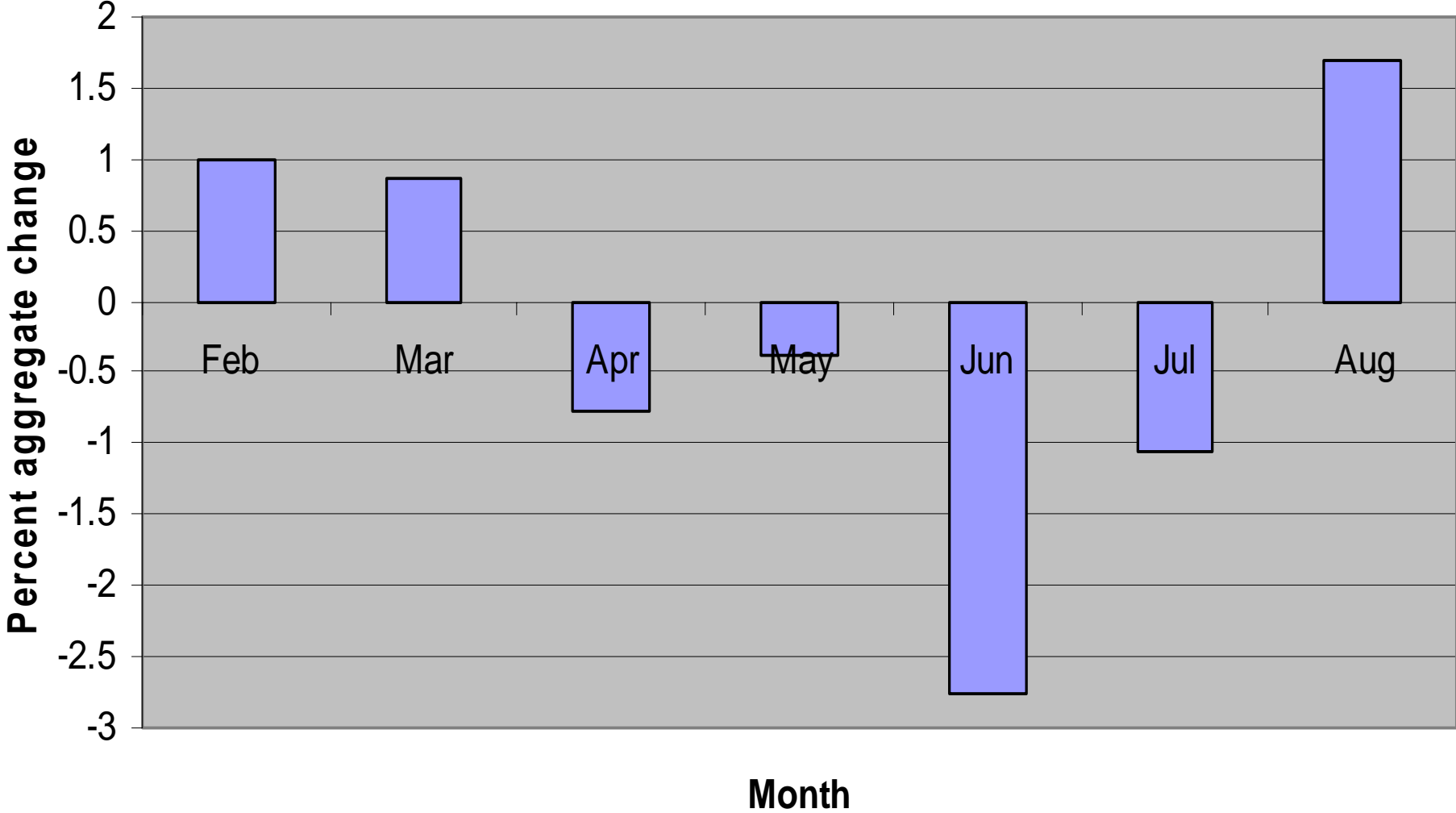


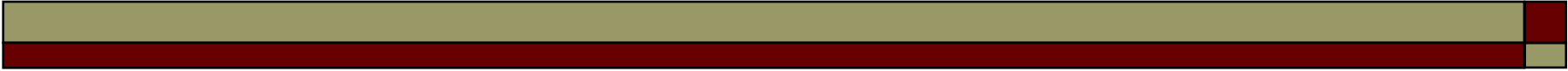
**Chart 2: Private payors**



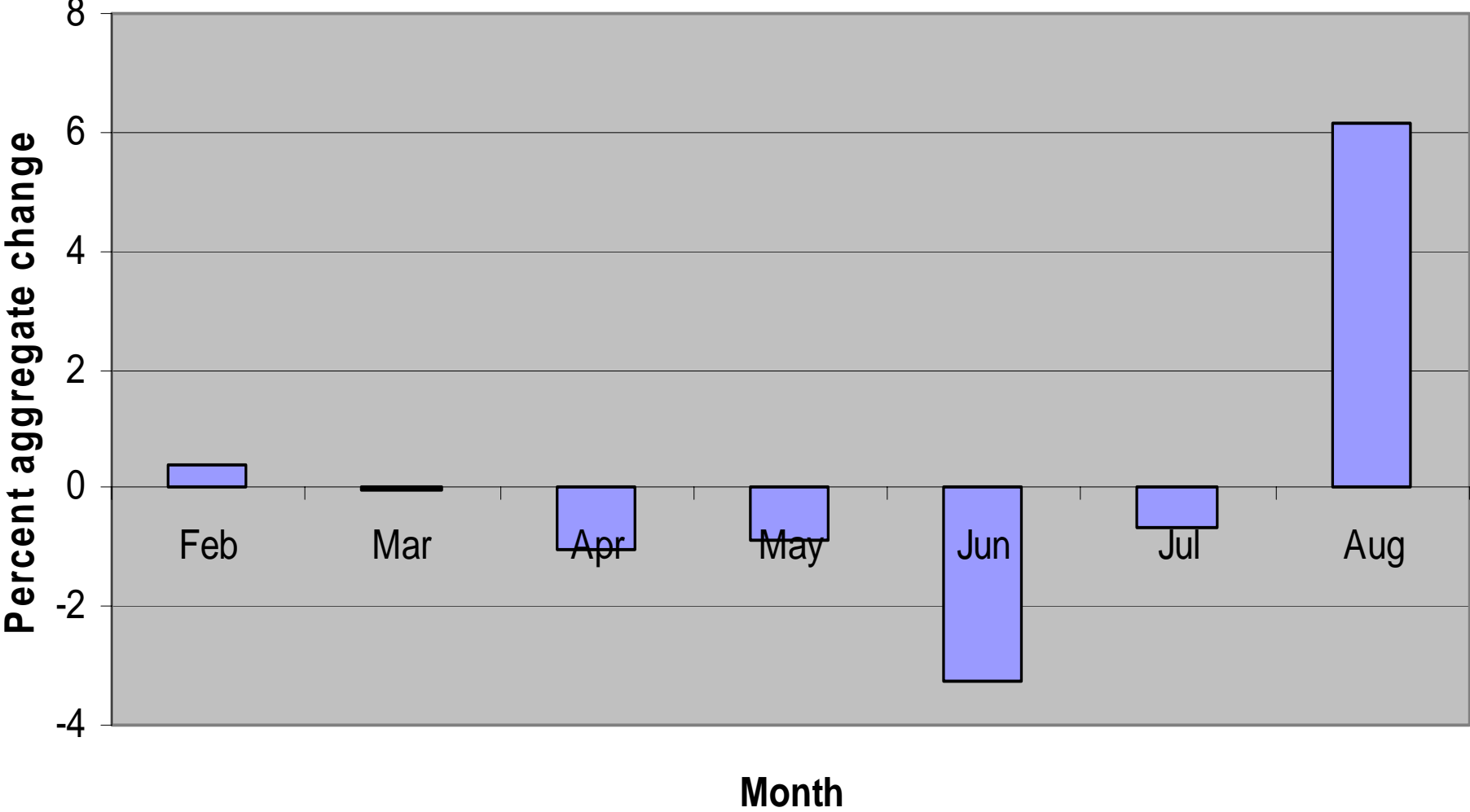


### Chart 3: Public payors



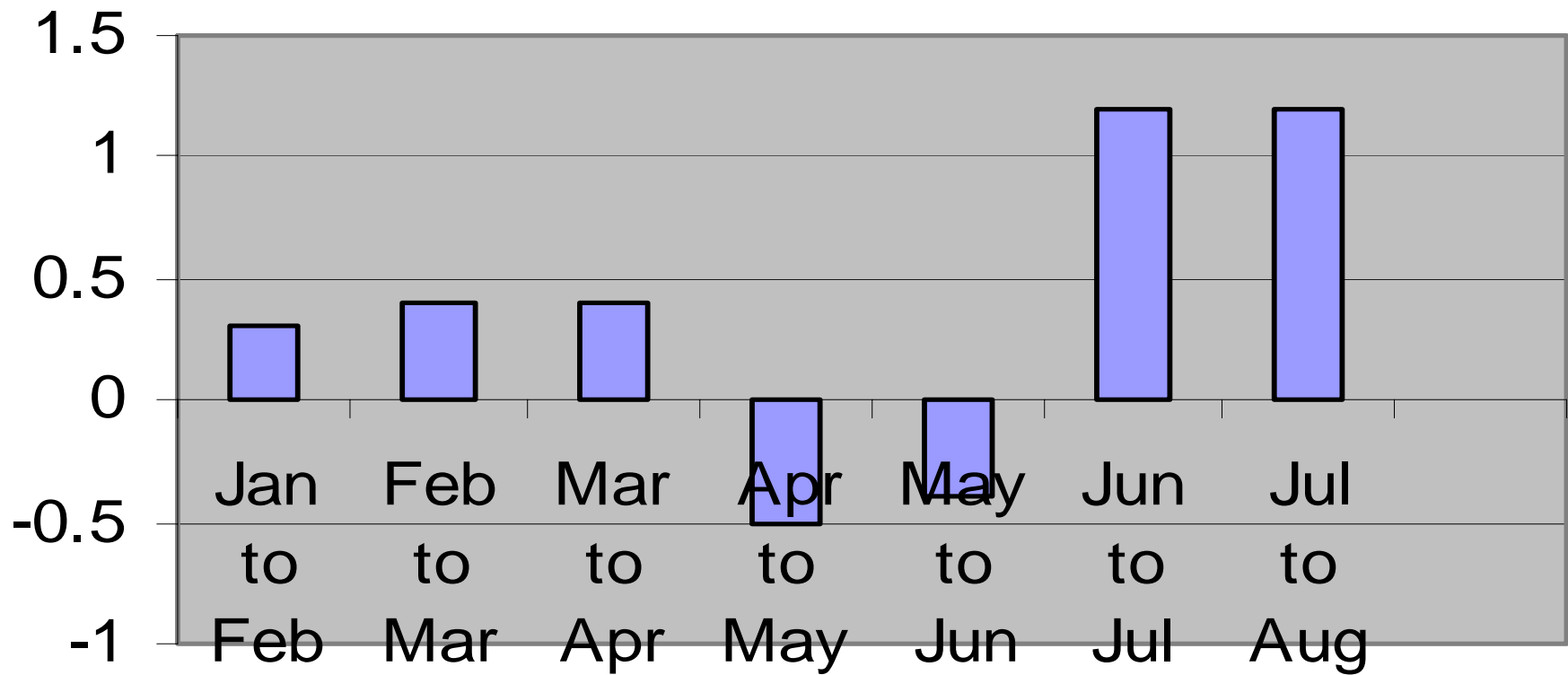


**Chart 4: Private payors**



# Nursing Home

Index percent change



Questions?

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