

LTC Costing & Funding

State of the Art in Costing Methods

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Overview

- interRAI
 - Who are they, and what do they do?
- RAI for Long-Term Care (LTC)
 - Different flavors of RAI for LTC
- Case Weights
 - Calculation and Maintenance of Case Weights
- Case-Weight Funding
 - The Alberta LTC funding allocation formula

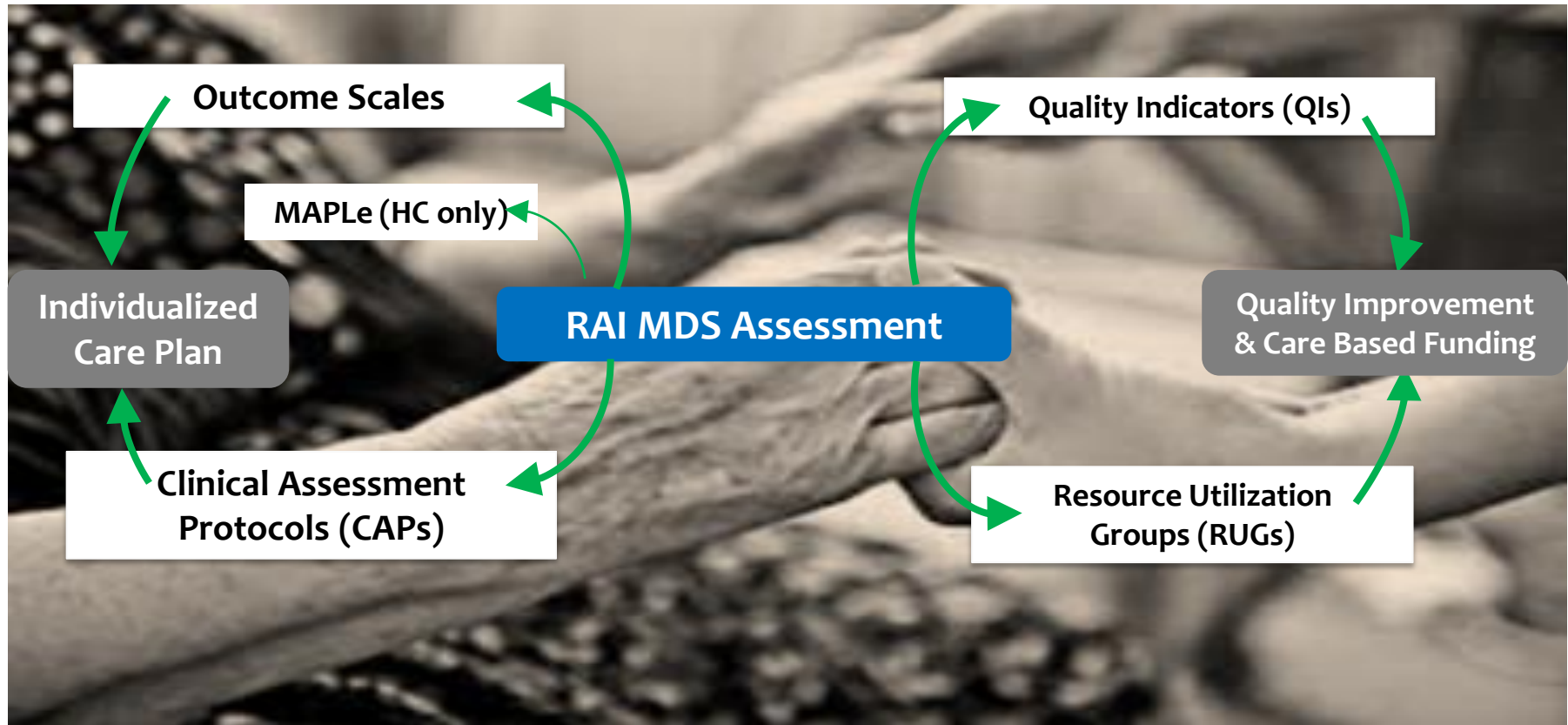
interRAI

- **inter**national **R**esident **A**ssessment **I**nstrument collaborative
- Collaborative network of researchers in over 32 countries
- Committed to improving health care for persons who are elderly, frail or disabled
- Goal is to promote evidence-based clinical practice and policy decisions through the collection and interpretation of high quality data about the characteristics and outcomes of persons served across a variety of health and social services settings

interRAI Instruments

- Twelve related assessment instruments with additional tools in development stages
- Each instrument is designed for a different care environment
- As clients transition across the continuum of care, these instruments allow comparability across a wide range of settings and client groups
- Combined they form an integrated group of instruments

Resident Assessment Instruments



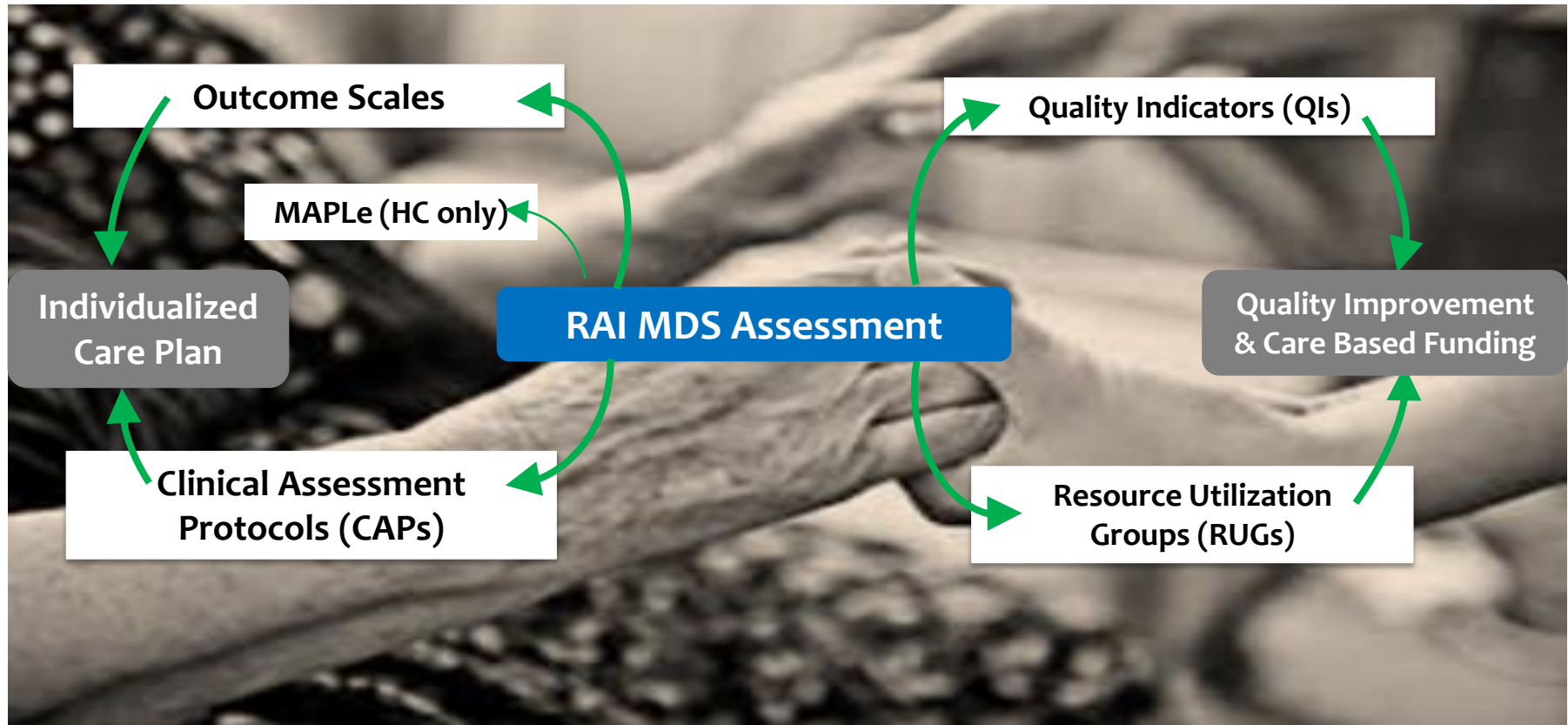
RAI utilization in LTC

- Canadian jurisdictions use RAI-MDS 2.0 (Resident Assessment Instrument – Minimum Data Set, version 2.0), or “RAI 2.0” or just “MDS”
- MDS 3.0
- Next generation: interRAI’s integrated suite of RAI instruments
 - LTCF
 - Common core elements with sector-specific attachments

interRAI Suite of instruments

- Home Care
- Community Health Assessment (CHA)
- Contact Assessment
- Long Term Care Facility
- Acute Care
- Child & Youth Intellectual/Developmental Disability
- Child & Youth Mental Health
- Post-Acute Care
- Mental Health
- Community Mental Health
- Emergency Screener for Psychiatry (Police Screener)
- Palliative Care
- Intellectual Disability
- Mental Health for Correctional Facilities
- Quality of Life – LTC, MH
- Wellness

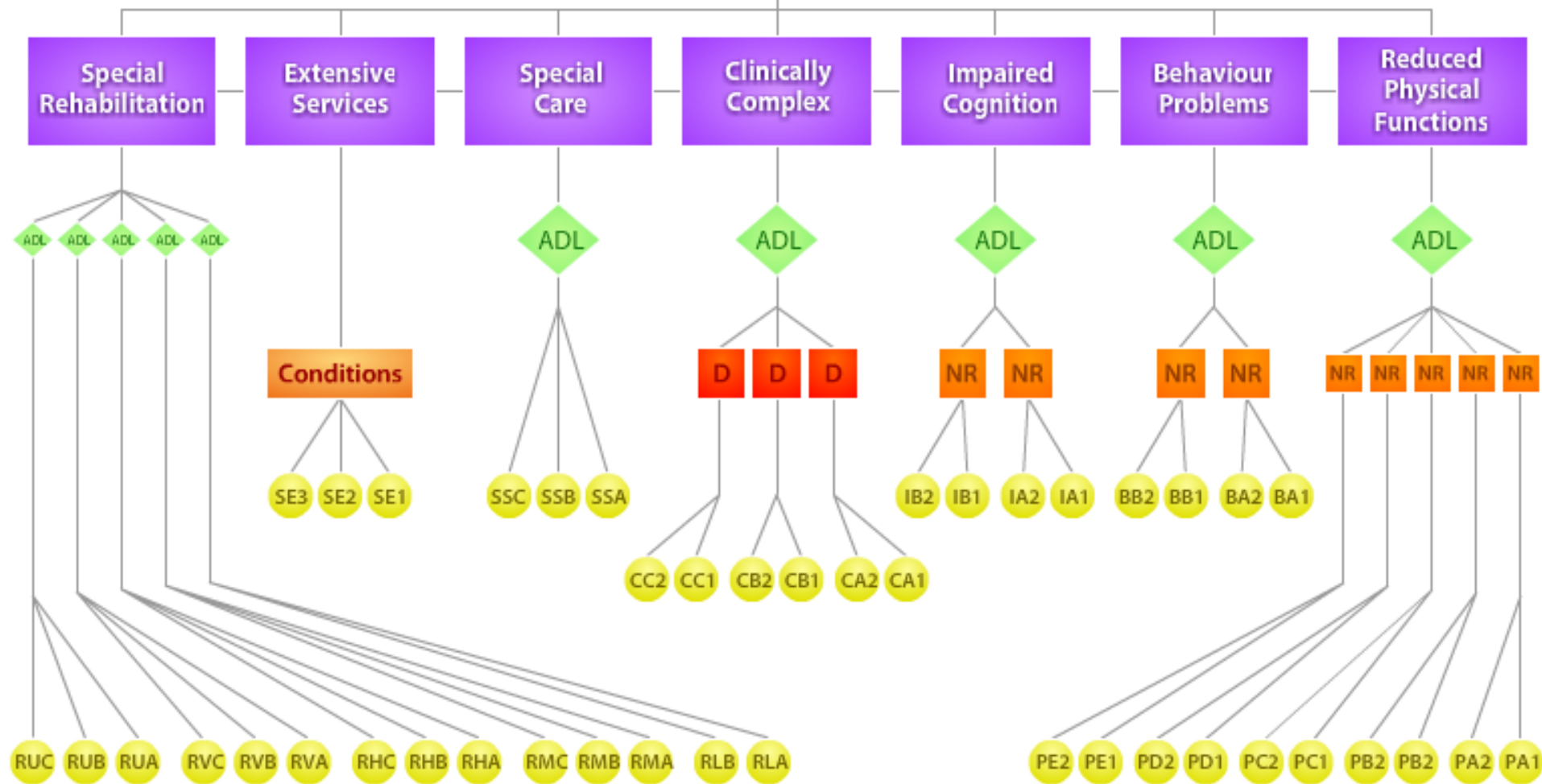
Resident Assessment Instruments



Resource Utilization Groupers (RUGs)

- Describes relative resource use of different types of residents based on clinical characteristics:
 - Cognitive impairment
 - ADL assistance
 - Medical complexity
 - Behaviour disturbance
 - Psychiatric treatments
 - Specialized treatments
 - Rehabilitation

LTC RESIDENT



RAI for LTC (cont'd)

- Funding typically use weighted cases attached to mutually-exclusive groups (i.e. Resource Utilization Groups, or RUGs) available for RAI-MDS 2.0
 - RUG III and
 - RUG III+ (“plus”)
 - RUG III for U.S. TMS data; RUG III+ for Canadian TMS data
 - RUG-IV

RAI for LTC (cont'd)

- Different number of groups associated with RUG-III, RUG-III+, or RUG-IV (i.e. 34, 44, or 54)
- Fewer groups have better stability, but lack sensitivity of using more groups
- CIHI uses 44 groups for national reporting
- Ontario uses 34 groups for funding
- Alberta uses 44 groups for funding, balancing sensitivity with stability

Case Weights

- Case weights are based on Time-and-Motion Study (TMS) data
- STRIVE (**S**taff **T**ime **R**esource **I**ntensity **V**erification)
- CAN-STRIVE completed in 2009. Data now available for case weight development
- Both TMSs have average time by RUG group by staff type

Case Weights (cont'd)

- Case weights are a relative measure of cost of caring for an individual resident
 - Can be accumulated to any group of residents (Case Mix Indices)
- To create local (e.g. provincial) case weights
 - Multiply the TMS time by local salary
 - Divide by jurisdiction-wide average resource consumption

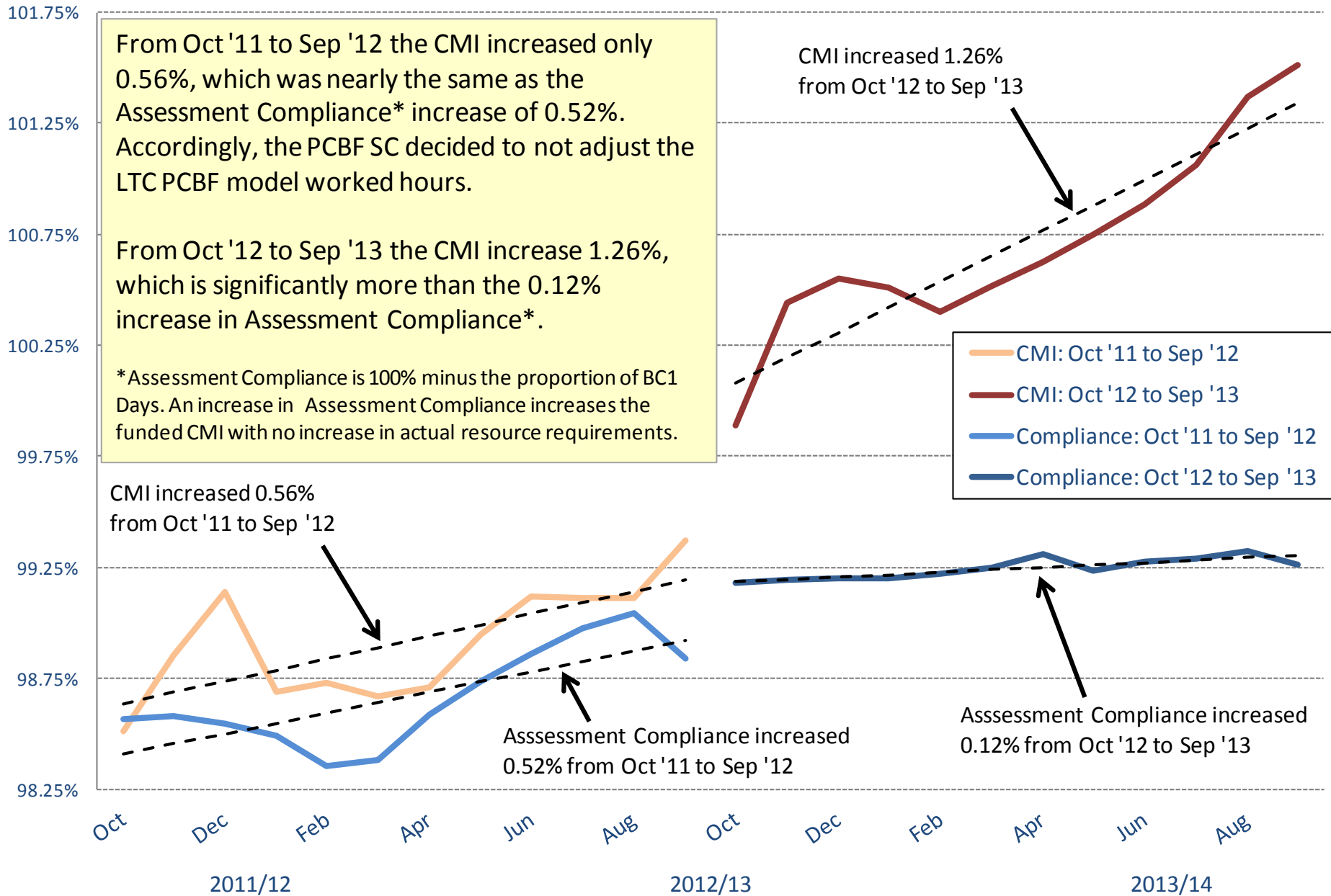
Case Weights (cont'd)

- Ontario and Alberta recalculate (“recalibrate”) the CMIs annually relative to changing average salaries and provincial-average resource consumption
- This ensures that the case weights result in a zero-sum allocation between providers in any given year
- Same version of CMI can be applied to multiple years to see how system-wide CMI has changed over time
- Year-over-year CMI increases can be compensated by increasing the price (or the funded worked hours and other rates) per weighted resident day

LTC Average CMI (Actual Assessments + BC2) and Compliance

Constant April 2012 CMI; October 2011 to September 2013

Average CMI and % Assessment Compliance



Guiding Principles when Case Weights are used for Payment

- Those that care for “heavier care” residents should receive more money
- Automatic adjustment for overall case mix changes
- Access for heavy care residents
- Information /Data permits further analysis and system level improvements
- Assists in designing resident level incentives

Funding

- Contracted LTC operators are provided with funded hours and specific amounts rather than on a flat “price per CMI-weighted resident day” to allow input accountabilities to be set
- Alberta funds worked hours per CMI-weighted resident day for RNs, LPNs, HCAs, Professional Therapists, and Non-Professional Therapists
- Requires RAI-MDS 2.0 resident census and assessment information to be complete and readily available for all LTC residents

Funding (cont'd)

- Also includes:
 - Amount for care-related supplies per weighted resident day
 - Amount per funded bed (“fixed” component) for resident care management and other care-related administration
- Fund worked hours (other rates were set at close to provincial average levels)
- Worked hours are multiplied by a worked-to-paid-hour ratio to yield paid hours which are multiplied by a funded salary to equal the funding

Funding (cont'd)

- Funded salaries and other rates are updated annually to offset inflation
- 2014/15 saw an increase in funded worked hours and care-related supply funding because of the observed year-over-year CMI increase
- Alberta currently examining
 - Moving from RUG III to RUG III+
 - Use of 44 versus 34 groups
 - How well CMIs fund specialty sub-populations (e.g., dementia, bariatric, and so forth)

Questions



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