



Value-Based Reimbursement (VBR) System

Valerie Cooke

Division Director, Nursing Facility Rates and Policy

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VBR Enacted in 2015, Primary Features

- Care related costs reimbursed at actual cost subject to a quality-based limit.
- Other operating costs reimbursed using a pricing model (same for all NFs in the state).
- Qualified health insurance costs treated as a pass-through.
- Geographic (peer) groups and facility types eliminated in the formula.
- Contains hold-harmless features.
- DHS to conduct a study of the property system.

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Primary Goals

- Address workforce issues
 - Low wages
 - Poor benefit packages
 - Recruitment
 - Retention

- Quality Incentive
 - State will pay more for higher quality

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Investment – Weighted Average Rate Comparison

- The legislature appropriated \$427 million in the first four years
 - Approximately \$135 million in the first biennium.

Rate Component	10-1-15	1-1-16	% Increase	1-1-17	% Increase
Operating	\$146.21	\$177.06	21.1%	\$179.89	1.6%
Ext Fixed	\$18.64	\$27.43	47.26%	\$28.23	2.91%
Property	\$17.78	\$17.90	.67%	\$18.15	1.4%
Total Rate	\$182.63	\$222.39	21.77%	\$226.27	1.74%

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Per hour wage increases ranged from 3% to 12%.

Category	Increase
Nursing Administration	8%
Registered Nurses	10%
Licensed Practical Nurses	9%
Certified Nursing Assistants	11%
Trained Medication Aides	9%
Mental Health Workers	12%
Social Workers	3%
Activities Staff	5%
Other Care Related	4%
Housekeeping	10%

91% NFs reported that they gave employees a wage increase with the funding from VBR.

11% indicated that benefits increased.

4% noted that retirement benefits were increased.

Other Workforce Indicators

- Preliminary data suggest overall staff retention is improving.
- Nearly all facilities offered some health insurance benefits.
- Many facilities reported offering an improved benefit package.
- Over 40% of all employees receiving health insurance.

Scholarship Program

62%

- Facility increased the amount(s) of scholarships that the NF will award.

66%

- Expanded the program to allow for more staff to participate? (e.g. now provided for both full & part time staff)

Impact of the Quality Adjusted Care-Related Limits 2017



