Attachment D

13. For the measures listed in Table 1 above, please provide the following information:

a. Please describe the methodology used to set the performance targets for each measure.

Component 2: Setting the threshold for additional RN hours at 90% of days in the month and allowing use of telehealth technologies for scheduling hours beyond the CMS mandate of eight hours of in-person RN coverage allows for flexibility and innovation in scheduling while still encouraging increased regular, weekly RN coverage for participating NFs. Setting the target based on coverage over a set number of days in the month requires NFs to improve evening and weekend coverage beyond the CMS-mandated hours.

Component 3: NF-specific performance targets for MDS-based performance measures were set at 5% relative improvement each quarter based on successes in previous program years related to MDS improvement. In SFY 2018 and SFY 2019, the "strong improvement" component included 5% relative improvement each quarter. Starting with SFY 2020, this was adopted as the standard improvement target across MDS-based performance measures.

Program-wide performance targets are set at national average for quarter 1 and require a 5% relative improvement each subsequent quarter. This heightens the performance requirements by more closely aligning the program-wide benchmark with the improvement targets used in the NF-specific baselines.

To account for natural fluctuations in quarterly performance results while still holding NFs accountable for incremental improvement, the state will define an allowed margin for each quality metric in Component 3. Any metric will be considered "Not Met" for the quarter if a NF performs worse than its initial baseline by more than this margin. Each metric's margin will be defined as the ~~relative~~ absolute +/- change in the national average for that metric from the previous program year to the current program year.

Component 4: For the two MDS measures in Component 4, a NF must improve over its NF-specific baseline by 5% or perform better than the national benchmark on both vaccination measures to earn payment in

quarter 4. Either metric will be considered "Not Met" if the NF's performance declines by more than a set margin, which is defined as the absolute +/- change in the national average for that metric from the previous program year to the current program year. ~~Performance in MDS-based performance measures is set at the most recently published national average. NFs must perform better than this national average in both vaccination measures to earn Component 4 funds in Quarter 4.~~ The state considers this target appropriate for Texas NFs.

b. If multiple provider performance measures are involved in the payment arrangement, discuss if the provider must meet the performance target on each measure to receive payment or can providers receive a portion of the payment if they meet the performance target on some but not all measures?

For Components 1-3: Performance measures are equally weighted within a Component. If the provider meets performance targets for all measures within a Component, they will receive all available funds related to that Component. For example, if the provider meets only one out of three measures in a Component, they will receive only one-third of their available funds related to that Component.

For Component 4: All quarterly performance targets must be met to earn an incentive payment for the component.

c. For state-developed measures, please briefly describe how the measure was developed?

HHSC considered recommendations from CMS and the Office of Inspector General as well as input from internal and external stakeholder workgroups. The proposed Component structure was developed for SFY 2020 and improved upon for SFY 2022.

Component 1: The state requires eligible NFs to hold monthly Quality Assurance and Performance Improvement (QAPI) meetings, building on the CMS quarterly requirement. This performance measure was first developed for SFY2018. For SFY2020, the state developed the measure to require "meaningful involvement" of the ownership entity. For SFY2022, the state has added the requirement of a performance improvement project (PIP) that tracks a NF-selected MDS-based quality measure. This provides added focus for the QAPI work and

further moves the performance measure towards standardized data practices and outcomes.

Component 2: The state recognized the importance of a staffing component and collaborated with the stakeholder workgroups to develop the performance targets, resulting in three equally weighted quality measures.

Performance measures regarding RN hour coverage address key concerns noted by CMS over RN coverage on evenings and weekends. Two measures were developed for SFY2020 to encourage increased RN coverage, and these are carried over to SFY2022. The third measure requires NF to report ongoing outcome-monitoring activities undertaken in a PIP to improve the workforce in areas such as recruitment and retention, turnover, and vacancy rates, infection control training and protocols as applicable to workforce development and resident-centered culture change. Including performance improvement projects (PIPS) heightens and further standardizes performance requirements for related measures from earlier program years.

Component 3: The state has designated four MDS-based performance measures for Component 3. These measures were selected based on state quality objectives and stakeholder input. For SFY2022, the state proposes to move the urinary tract infection measure (N024.02) from Component 4 to Component 3 to incentivize improved infection control outcomes in all participating providers.

Component 4: Quarterly payments to non-state government-owned facilities will be triggered by demonstrated improvement on infection control initiatives.

The quarterly staged performance measures were developed in collaboration with the state's Long-Term Care (LTC) Regulatory department, LTC Quality Monitoring section, and other internal and external stakeholders. Performance measures that encourage improved, data-driven infection and control practices reflect areas of improvement reported in Texas' 2017 Infection Control Assessment and Response (ICAR) survey. The Quarter 2 performance measure requires both clinical and administrative staff in eligible NFs to

complete infection control training, addressing a key barrier to quality improvement noted by HHSC staff during on-site visits to state NFs.

Component 4 also includes two MDS-based performance measures to incentivize improvement in vaccination rates.