

December 8, 2022

Notice of Change to Nursing Facility Bonus Payment Structure

Dear nursing facility providers,

Beginning next month, the Health Plan of San Mateo (HPSM) will change the way facilities receive bonus payments for performance in the Nursing Facility Quality Payment Program (“NF QPP”).

Rates for Medi-Cal and CareAdvantage contracted facilities will remain unaffected, as follows:

- 85% of Medicare Patient Driven Payment Model (PDPM) for skilled services, with up to +10% quality bonus (95% total);
- 100% of Medi-Cal per diem for long-term care services, up to +5% quality bonus (105% total).

Previously, facilities who earned quality bonuses received them in the form of reimbursement rate adjustments appended to all paid claims during the calendar year. **In 2023, HPSM will no longer remit bonuses as add-on payments to all claims.** Instead, facilities will receive a lump sum bonus payment in the first quarter of the year equivalent to a full year’s bonus rate adjustment.

Note that this change will not affect the amount of money your facility will receive under the quality program— the only change is in the means of distribution. HPSM expects this lump sum payment methodology will better provide facilities with the upfront cash flow to build capacity and predict operating revenue, among other benefits.

Please visit our Nursing Facility Quality Payment Program webpage here:

<https://www.hpsm.org/provider/value-based-payment/nursing-facilities>

For questions, please contact our Provider Services department at PSInquiries@hpsm.org.

Thank you for your continued commitment to our community,
HPSM Provider Services

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