From Points to Profit

Mastering Indiana's Quality Program

February 12, 2026

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Forvis Mazars
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Today's Agenda

- Breakdown of Indiana's Quality Program

- UPL Transition

- Quality Measures

  - MDS-Based Measures

  - Claims-Based Measures

- Payroll-Based Journal

- Questions

Indiana's Quality Program

Quality Calculation

Quality Measure (QM) Four-Quarter Average published by CMS

July 2025 Rates

- Use January 2025 CMS Publication data
  - MDS Assessment data from Q4 2023–Q3 2024

January 2026 Rates

- Use July 2025 CMS Publication data
  - MDS Assessment data from Q2 2024–Q1 2025

Quality Calculation

Example Facility

Long Stay Measures

	Four Quarter Average	Estimated Points	Max Points Available	Types of Measure
Long-stay residents with major-injury falls (MC 410)				
High risk long-stay residents with pressure ulcers (MC 479)				
Number of hospitalizations per 1,000 long-stay resident days (MC 551)				
Outpatient ED visits per 1,000 long-stay residents (MC 552)				
TOTAL LS MEASURES				

Staffing Ratio

	Estimated PBJ Data	Estimated Points
Total nurse staffing hours per resident per day		
Respiratory therapy hours per resident per day		
Case-mix nurse staffing hours per resident per day		
STAFFING RATIO CURRENT QUARTER		

ESTIMATED TOTAL QUALITY POINTS

ESTIMATED QUALITY ADD-ON (Legacy)

QUALITY TIER (Prospective)

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Quality Calculation

Example Facility

Long Stay Measures	Four Quarter Average	Estimated Points	Max Points Available	Types of Measure
Long-stay residents with major-injury falls (MC 410)			100.00	MDS Based Measure
High risk long-stay residents with pressure ulcers (MC 479)			100.00	MDS Based Measure
Number of hospitalizations per 1,000 long-stay resident days (MC 551)				
Outpatient ED visits per 1,000 long-stay residents (MC 552)				
TOTAL LS MEASURES				

Staffing Ratio	Estimated PBJ Data	Estimated Points
Total nurse staffing hours per resident per day		
Respiratory therapy hours per resident per day		
Case-mix nurse staffing hours per resident per day		
STAFFING RATIO CURRENT QUARTER		

ESTIMATED TOTAL QUALITY POINTS

ESTIMATED QUALITY ADD-ON (Legacy)

QUALITY TIER (Prospective)

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Quality Calculation

Example Facility

Long Stay Measures	Four Quarter Average	Estimated Points	Max Points Available	Types of Measure
Long-stay residents with major-injury falls (MC 410)			100.00	MDS Based Measure
High risk long-stay residents with pressure ulcers (MC 479)			100.00	MDS Based Measure
Number of hospitalizations per 1,000 long-stay resident days (MC 551)			150.00	Claims Based Measure
Outpatient ED visits per 1,000 long-stay residents (MC 552)			150.00	Claims Based Measure
TOTAL LS MEASURES				

Staffing Ratio	Estimated PBJ Data	Estimated Points
Total nurse staffing hours per resident per day		
Respiratory therapy hours per resident per day		
Case-mix nurse staffing hours per resident per day		
STAFFING RATIO CURRENT QUARTER		

ESTIMATED TOTAL QUALITY POINTS

ESTIMATED QUALITY ADD-ON (Legacy)

QUALITY TIER (Prospective)

Quality Calculation

Example Facility

Long Stay Measures

	Four Quarter Average	Estimated Points	Max Points Available	Types of Measure	
Long-stay residents with major-injury falls (MC 410)			100.00	MDS Based Measure	The lower the performance number, the better
High risk long-stay residents with pressure ulcers (MC 479)			100.00	MDS Based Measure	The lower the performance number, the better
Number of hospitalizations per 1,000 long-stay resident days (MC 551)			150.00	Claims Based Measure	The lower the performance number, the better
Outpatient ED visits per 1,000 long-stay residents (MC 552)			150.00	Claims Based Measure	The lower the performance number, the better
TOTAL LS MEASURES					

Staffing Ratio

	Estimated PBJ Data	Estimated Points
Total nurse staffing hours per resident per day		
Respiratory therapy hours per resident per day		
Case-mix nurse staffing hours per resident per day		
STAFFING RATIO CURRENT QUARTER		

ESTIMATED TOTAL QUALITY POINTS

ESTIMATED QUALITY ADD-ON (Legacy)

QUALITY TIER (Prospective)

Quality Calculation

Example Facility

Long Stay Measures	Four Quarter Average	Estimated Points	Max Points Available	Types of Measure	
Long-stay residents with major-injury falls (MC 410)			100.00	MDS Based Measure	The lower the performance number, the better
High risk long-stay residents with pressure ulcers (MC 479)			100.00	MDS Based Measure	The lower the performance number, the better
Number of hospitalizations per 1,000 long-stay resident days (MC 551)			150.00	Claims Based Measure	The lower the performance number, the better
Outpatient ED visits per 1,000 long-stay residents (MC 552)			150.00	Claims Based Measure	The lower the performance number, the better
TOTAL LS MEASURES					

Staffing Ratio	Estimated PBJ Data	Estimated Points			
Total nurse staffing hours per resident per day					
Respiratory therapy hours per resident per day					
Case-mix nurse staffing hours per resident per day					
STAFFING RATIO CURRENT QUARTER			125.00	Staffing	The higher the performance, the better

ESTIMATED TOTAL QUALITY POINTS

ESTIMATED QUALITY ADD-ON (Legacy)

QUALITY TIER (Prospective)

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Quality Calculation

Example Facility

Long Stay Measures	Four Quarter Average	Estimated Points	Max Points Available	Types of Measure	
Long-stay residents with major-injury falls (MC 410)	1.268500	76.22	100.00	MDS Based Measure	The lower the performance number, the better
High risk long-stay residents with pressure ulcers (MC 479)	4.636000	26.44	100.00	MDS Based Measure	The lower the performance number, the better
Number of hospitalizations per 1,000 long-stay resident days (MC 551)	1.634400	44.21	150.00	Claims Based Measure	The lower the performance number, the better
Outpatient ED visits per 1,000 long-stay residents (MC 552)	1.509100	37.70	150.00	Claims Based Measure	The lower the performance number, the better
TOTAL LS MEASURES		184.57			

Staffing Ratio	Estimated PBJ Data	Estimated Points			
Total nurse staffing hours per resident per day	3.65400				
Respiratory therapy hours per resident per day	-				
Case-mix nurse staffing hours per resident per day	4.29225				
STAFFING RATIO CURRENT QUARTER	**0.8513**	22.45	125.00	Staffing	The higher the performance, the better

ESTIMATED TOTAL QUALITY POINTS	**207**

ESTIMATED QUALITY ADD-ON (Legacy)	

QUALITY TIER (Prospective)	

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Quality Calculation

Example Facility

Long Stay Measures	Four Quarter Average	Estimated Points	Max Points Available	Types of Measure	
Long-stay residents with major-injury falls (MC 410)	1.268500	76.22	100.00	MDS Based Measure	The lower the performance number, the better
High risk long-stay residents with pressure ulcers (MC 479)	4.636000	26.44	100.00	MDS Based Measure	The lower the performance number, the better
Number of hospitalizations per 1,000 long-stay resident days (MC 551)	1.634400	44.21	150.00	Claims Based Measure	The lower the performance number, the better
Outpatient ED visits per 1,000 long-stay residents (MC 552)	1.509100	37.70	150.00	Claims Based Measure	The lower the performance number, the better
TOTAL LS MEASURES		184.57			

Staffing Ratio	Estimated PBJ Data	Estimated Points			
Total nurse staffing hours per resident per day	3.65400				
Respiratory therapy hours per resident per day	-				
Case-mix nurse staffing hours per resident per day	4.29225				
STAFFING RATIO CURRENT QUARTER	**0.8513**	22.45	125.00	Staffing	The higher the performance, the better

ESTIMATED TOTAL QUALITY POINTS	**207**	

ESTIMATED QUALITY ADD-ON (Legacy)	$ 10.73	Value per Point	0.051848

QUALITY TIER (Prospective)	9	25 Quality Tiers

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UPL Transition

Update on Medicaid Rates & UPL

Transition to Managed Care Phase-In Timeline

- Phase-In of UPL & Quality Changes:

		Supplemental Payments		Quality Allocation	
		Legacy	Prospective	Prospective	
July 1, 2024 FFS		90%	10%		
July 1, 2024 Managed Care		79.3%	20.7%		
January 1, 2025 FFS		90%	10%	10%	
January 1, 2025 Managed Care		79.3%	20.7%	10%	
July 1, 2025		**60%**	**40%**	**12%**	
July 1, 2026		30%	70%	14%	
July 1, 2027			100%	16%	
July 1, 2028			100%	18%	
July 1, 2029			100%	20%	

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Indiana Medicaid UPL Payments

NEW UPL calculation

Example Facility

	Fee For Service (FFS)	Managed Care (MC)
Medicaid Rate	$ 315.00	$ 315.00
x Uniform Percentage	37.90%	37.90%
Base Per Deim	$ 119.39	$ 119.39
Quality Points	207	207
Quality Tiers		9
Value of 1 Quality Point (FFS)	0.0237%	
Value of 1 Tier (MC)		0.5634%
Total Quality Percent (FFS)	4.9059%	
Total Tier Percent (MC)		5.0704%
Quality per Diem	$ 15.45	$ 15.97
Total UPL Per Diem	$ 134.84	$ 135.36
FMAP	37.90%	37.90%
Net UPL Per Diem	$ 83.73	$ 84.06

Change in Method

- From Facility Specific to Uniform Percentage

- Current phase-in through July 1, 2027

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MDS & Claims-Based Measures

Indiana Total Quality Score

TOTAL POSSIBLE POINTS	7/1/2024
Long Stay Measure – Pressure Ulcers	100
Long Stay Measure – Falls with Major Injury	100
Long Stay Measure – Hospitalizations	150
Long Stay Measure – Emergency Room Visits	150
PBJ Staffing Nursing Ratio	125
Total	**625**

Long-Stay – Percent of Residents With Pressure Ulcers

- Captures the percent of long-stay residents with Stage 2–4 or unstageable pressure ulcers

- Uses information from **target assessment**

- Stage 2–4 or unstageable pressure ulcers are present by any of the following conditions:
  - M0300B1 = 1-9 (Stage 2)
  - M0300C1 = 1-9 (Stage 3)
  - M0300D1 = 1-9 (Stage 4)
  - M0300E1 = 1-9 (Unstageable d/t unremovable dressing)
  - M0300F1 = 1-9 (Unstageable d/t slough/eschar)
  - M0300G1 = 1-9 (Unstageable d/t deep tissue injury)

Long-Stay – Percent of Residents With Pressure Ulcers

B. Stage 2: Partial thickness loss of dermis presenting as a shallow open ulcer with a red or pink wound bed, without slough. May also present as an intact or open/ruptured blister

Enter Number

   1. **Number of Stage 2 pressure ulcers** - If 0 → Skip to M0300C, Stage 3

Enter Number

   2. **Number of <u>these</u> Stage 2 pressure ulcers that were present upon admission/entry or reentry** - enter how many were noted at the time of admission/entry or reentry

C. Stage 3: Full thickness tissue loss. Subcutaneous fat may be visible but bone, tendon or muscle is not exposed. Slough may be present but does not obscure the depth of tissue loss. May include undermining and tunneling

Enter Number

   1. **Number of Stage 3 pressure ulcers** - If 0 → Skip to M0300D, Stage 4

Enter Number

   2. **Number of <u>these</u> Stage 3 pressure ulcers that were present upon admission/entry or reentry** - enter how many were noted at the time of admission/entry or reentry

D. Stage 4: Full thickness tissue loss with exposed bone, tendon or muscle. Slough or eschar may be present on some parts of the wound bed. Often includes undermining and tunneling

Enter Number

   1. **Number of Stage 4 pressure ulcers** - If 0 → Skip to M0300E, Unstageable - Non-removable dressing/device

Enter Number

   2. **Number of <u>these</u> Stage 4 pressure ulcers that were present upon admission/entry or reentry** - enter how many were noted at the time of admission/entry or reentry

Long-Stay – Percent of Residents With Pressure Ulcers

M0300. Current Number of Unhealed Pressure Ulcers/Injuries at Each Stage - Continued

E. Unstageable - Non-removable dressing/device: Known but not stageable due to non-removable dressing/device

Enter Number

1. **Number of unstageable pressure ulcers/injuries due to non-removable dressing/device** - If 0 ➡ Skip to M0300F, Unstageable - Slough and/or eschar

Enter Number

2. **Number of these unstageable pressure ulcers/injuries that were present upon admission/entry or reentry** - enter how many were noted at the time of admission/entry or reentry

F. Unstageable - Slough and/or eschar: Known but not stageable due to coverage of wound bed by slough and/or eschar

Enter Number

1. **Number of unstageable pressure ulcers due to coverage of wound bed by slough and/or eschar** - If 0 ➡ Skip to M0300G, Unstageable - Deep tissue injury

Enter Number

2. **Number of these unstageable pressure ulcers that were present upon admission/entry or reentry** - enter how many were noted at the time of admission/entry or reentry

G. Unstageable - Deep tissue injury:

Enter Number

1. **Number of unstageable pressure injuries presenting as deep tissue injury** - If 0 ➡ Skip to M1030, Number of Venous and Arterial Ulcers

Enter Number

2. **Number of these unstageable pressure injuries that were present upon admission/entry or reentry** - enter how many were noted at the time of admission/entry or reentry

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Long-Stay – Percent of Residents With Pressure Ulcers

- Exclusions:
  - Target assessment is an Admission assessment or PPS 5-day assessment
  - Resident did not meet conditions in numerator and the following were not assessed:
    - M0300B1 = (-)
    - M0300C1 = (-)
    - M0300D1 = (-)
    - M0300E1 = (-)
    - M0300F1 = (-)
    - M0300G1 = (-)

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Long-Stay – Percent of Residents With Pressure Ulcers

- Risk Adjustments/Covariates
  - Impairment in lying to sitting on side of bed (GG0170C)
    - Code of 01, 02, 07, 09, 10, or 88
  - Bowel incontinence (H0400)
    - Code of 1, 2, or 3
  - DM (I2900) or PVD/PAD (I0900)
  - Indicator of Low BMI based on height (K0200A) and weight (K0200B)
    - BMI of 12–19
  - Malnutrition or risk of malnutrition (I5600)
  - Dehydration (J1500C)
  - Infection: Septicemia (I2100), pneumonia (I2000), UTI (I2300), MDRO (I1700)
  - Moisture associated skin damage (M1040H)
  - Hospice (O0110K1b)

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Long-Stay – Percent of Residents With Pressure Ulcers

- Clinical Considerations
  - Pressure ulcer prevention program
  - Risk assessments – Braden, etc.
  - Turning and positioning programs
  - Staff trained in pressure ulcer documentation
  - Weekly skin assessments/observations
  - Incontinence programs
  - Involvement of dietician
  - Accurate documentation and coding of continence, ADLs, height, weight
  - Good communication
    - Scheduling of assessment as pressure ulcers heal

Long-Stay – Percent of Residents With Pressure Ulcers

- MDS Considerations
  - Good communication with team on status of ulcers
    - Scheduling of assessment as pressure ulcers heal

MDS Measures

Measure Description	CMS ID	Data	Num	Denom	Facility Observed Percent	Facility Adjusted Percent	Comparison Group State Average	Comparison Group National Average	Comparison Group National Percentile
Pressure Ulcers (L)	N045.02	C	4	54	7.4%	6.5%	4.7%	5.8%	63
Phys restraints (L)	N027.02	C	0	55	0.0%	0.0%	0.0%	0.1%	0
Falls (L)	N032.02	C	31	55	56.4%	56.4%	50.5%	44.3%	81*

Long-Stay – Falls With Major Injury

- Reports the percent of long-stay residents who have experienced one or more falls with a major injury in the target period

  - Uses **look back scan of 275 days from the target assessment**

  - MDS Items

    - Major injury at J1900C = 1 or 2

J1900.	Number of Falls Since Admission/Entry or Reentry or Prior Assessment (OBRA or Scheduled PPS), whichever is more recent		
Coding:		↓	**Enter Codes in Boxes**
0. None 1. One 2. Two or more		☐	A. **No injury** - no evidence of any injury is noted on physical assessment by the nurse or primary care clinician; no complaints of pain or injury by the resident; no change the resident's behavior is noted after the fall
		☐	B. **Injury (except major)** - as described in the CMS LTCF RAI User's Manual
		☐	C. **Major injury** - as described in the CMS LTCF RAI User's Manual

Long-Stay – Falls With Major Injury

- Major injuries include but not limited to:
  - Traumatic bone fractures
  - Joint dislocation/subluxations
  - Internal organ injuries
  - Amputations
  - Spinal cord injuries
  - Crush injuries
  - Head injuries

Long-Stay – Falls With Major Injury

- Injuries associated with **falls are to be coded on the same MDS that the fall is reported**
  - Any documented injury that occurred as a result of, or was recognized within a short period of time, *e.g.*, hours to a few days, after the fall and attributed to the fall

- Exclusions
  - Number of falls with major injury not coded at J1900C (dashed) on all look-back scan assessments

Long-Stay Falls With Major Injury

- RAI Manual Definition J-32
  - Unintentional change in position coming to rest on the ground, floor, or onto the next lower surface (*e.g.*, onto a bed, chair, or bedside mat) or the result of an overwhelming external force (*e.g.*, a resident pushes another resident)
  - The fall may be witnessed, reported by the resident or an observer, or identified when a resident is found on the floor or ground
  - Falls include any fall, no matter whether it occurred at home, out in the community, in an acute hospital, or in a nursing home
  - Includes intercepted falls
  - Fractures confirmed to be pathological are not considered a major injury resulting from a fall

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Long-Stay Falls With Major Injury

- Falls
  - CMS understands that challenging a resident's balance and training him/her to recover from a loss of balance are intentional therapeutic interventions and does not consider anticipated losses of balance that occur during supervised therapeutic interventions as intercepted falls. However, if there is a loss of balance during supervised therapeutic interventions and the resident comes to rest on the ground, floor, or next lower surface despite the clinician's effort to intercept, it is considered a fall.

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Long-Stay – Falls With Major Injury

- Ensuring Success
  - Fall precaution program
  - Precautions initiated on admit and ongoing with updates
  - Fall reviews to identify root cause
  - Accurate coding on the MDS – definition of falls per RAI manual
  - Medication considerations
- Tracking of falls with major injury by assessment date of MDS it was reported on
  - Scheduling of assessment after 275 days

MDS Measures

Measure Description	CMS ID	Data	Num	Denom	Facility Observed Percent	Facility Adjusted Percent	Comparison Group State Average	Comparison Group National Average	Comparison Group National Percentile
Pressure Ulcers (L)	N045.02	C	4	54	7.4%	6.5%	4.7%	5.8%	63
Phys restraints (L)	N027.02	C	0	55	0.0%	0.0%	0.0%	0.1%	0
Falls (L)	N032.02	C	31	55	56.4%	56.4%	50.5%	44.3%	81*
Falls w/Maj Injury (L)	N013.02	C	3	55	5.5%	5.5%	4.3%	3.4%	80*

Long Stay – Hospitalizations

- Captures the number of hospitalizations per 1,000 Long-Stay Resident days
  - During a one (1) year period
  - Unplanned inpatient admissions or outpatient observation stays
    - Revenue codes 0760 and 0762)
  - Acute care or critical access hospital (CAH)
  - Not enrolled in hospice

- Exclusions
  - Not a Medicare beneficiary
  - Enrolled in a Medicare managed care during any portion of the stay
  - Did not have a comprehensive or quarterly MDS assessment within 120 days prior to becoming a long-stay resident

Long-Stay – Hospitalizations

- Claim-Based Covariates

Table 5.   Covariates Constructed from Claims and Used in the Risk-Adjustment Model for the Number of Hospitalizations per 1,000 Long-Stay Resident Days

Variable	Rationale
Age	Demographic characteristic that is often important for outcomes of nursing home residents and associated with higher frailty and greater comorbidity
Sex	Demographic characteristic that is important for predicting hospitalization for the nursing home population
Race/Ethnicity	Socio-demographic characteristic that is potentially associated with certain comorbidities and medical history
Number of acute care hospitalizations in the 365 days before the day the resident became a long-stay resident or the beginning of the 12-month target period (whichever is later)	More hospitalizations in the previous year may be associated with declining health and increased complexity of care.
Outcome-Specific Comorbidity Index	Patients with multiple or more severe comorbidities will tend to be frailer, putting them at increased risk for being admitted to a hospital. This index is based on 17 clinical conditions included in the Charlson Comorbidity Index and captures the complexity beyond the linear additivity of the individual comorbidities. Diagnoses are identified using inpatient claims in the 365 days before the day the resident became a long-stay resident or the beginning of the 12-month target period (whichever is later).

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Long-Stay – Hospitalizations

- MDS-Based Covariates

Table 6. Covariates Constructed from MDS Items and Used in the Final Risk-Adjustment Model for the Number of Hospitalizations per 1,000 Long-Stay Resident Days

Category	MDS Item
Functional status	Rarely/never makes self-understood by others (B0700) Cognitive status moderately impaired, severely impaired, assessed by staff, or assessment is missing (C0100 – C1000) Rejected care for past four to seven days (E0800) Wandering once or more in the past week (E0900)
Section GG items (added in July 2025 to replace Section G items removed in July 2024)	Walks in room independently or with supervision or limited assistance (GG170I1) Walks in corridor independently or with supervision or limited assistance (GG170J1) Extensive assistance/dependence in eating (GG0130A)
Clinical conditions	Shortness of breath or trouble breathing with exertion (J1100A) Shortness of breath or trouble breathing when lying flat (J1100C) End-stage prognosis (J1400) Internal bleeding (J1550D)
Clinical treatments	Anticoagulant received (N0415E) Antibiotic received (N0415F) Diuretic received (N0415G) Chemotherapy for cancer (O0110A1) Radiation for cancer (O0110B1) Oxygen therapy (O0110C1) IV medications (O0110H1) Transfusion (O0110I1) Hospice care after nursing home admission (O0110K1) Isolation or quarantine for active infectious disease (00110M1) Speech therapy (O0400A4) Respiratory therapy (O0400D2)
Clinical diagnoses	Gastroesophageal reflux disease (GERD) or ulcer (I1200) Ulcerative Colitis/Crohn's disease/inflammatory bowel disease (I1300) Neurogenic bladder (I1550) Multidrug-resistant organism (MDRO) (I1700) Septicemia (I2100) Cerebrovascular accident, transient ischemic attack, or stroke (I4500) Quadriplegia (I5100) Multiple Sclerosis (I5200) Parkinson's disease (I5300) Anxiety disorder (I5700) Respiratory failure (I6300)
Other	Entered nursing home from an inpatient psychiatric (hospital or unit) (A1805)

Long-Stay – Hospitalizations

- Example Calculation:
  - Facility with 75 long-stay residents for a total of 27,375 eligible days in the target period of 1 year
  - 28 unplanned hospitalizations and 7 observation stays during the same target period = total of 35

  - 27,375 divided by 1000 = 27.375
  - 35/27.375 = 1.28 hospitalizations per 1,000 long stay resident days

Long Stay – Emergency Room/Department Visits

- Captures the number of Emergency Department visits per 1,000 Long-Stay Resident days
  - During a one-year period
  - Visits that did not result in an inpatient hospital stay or outpatient observation stay
    - Outpatient (Medicare Part B) claim with revenue codes (0450, 0451, 0456, 0459, or 0981)
  - Included regardless of diagnosis
  - Does not include ED visits that occur while a resident is enrolled in hospice

- Exclusions
  - Not a Medicare beneficiary
  - Enrolled in a Medicare managed care during any portion of the stay
  - Did not have a comprehensive or quarterly MDS assessment within 120 days prior to becoming a long-stay resident
  - Enrolled in hospice

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Long Stay – Emergency Room/Department Visits

- Claims-Based Covariates

Table 11.   Covariates Constructed from Claims and Used in the Risk-Adjustment Model for the Number of Outpatient Emergency Department Visits per 1,000 Long-Stay Resident Days

Variable	Rationale
Age	Demographic characteristic that is often important for outcomes of nursing home residents and associated with higher frailty and greater comorbidity.
Sex	Demographic characteristic that is important for predicting ED visits for the nursing home population
Race/Ethnicity	Socio-demographic characteristic that is potentially associated with certain comorbidities and medical history
Number of acute care hospitalizations in the 365 days before the day the resident became a long-stay resident or the beginning of the 12-month target period (whichever is later)	More hospitalizations in the previous year may be associated with declining health and increased complexity of care.
Outcome-Specific Comorbidity Index	Patients with multiple or more severe comorbidities will tend to be frailer, putting them at increased risk for being admitted to an ED. This index is based on 17 clinical conditions included in the Charlson Comorbidity Index and captures the complexity beyond the linear additivity of the individual comorbidities. Diagnoses are identified using inpatient claims in the 365 days before the day the resident became a long-stay resident or the beginning of the 12-month target period (whichever is later).

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Long Stay – Emergency Room/Department Visits

• MDS-Based Covariates

Table 12. Covariates Constructed from MDS items and Used in the Final Risk-Adjustment Model for the Number of Outpatient Emergency Department Visits per 1,000 Long-Stay Resident Days

Category	MDS Item
Functional status	Rarely/never makes self-understood by others (B0700) Rarely/never able to understand others (B0800) Cognitive status moderately impaired, severely impaired, assessed by staff, or assessment is missing (C0100 – C1000) Rejected care for past four to seven days (E0800) Wandering once or more in the past week (E0900)
Section GG items (added in July 2025 to replace Section G items removed in July 2024)	Walks in room independently or with supervision or limited assistance (GG170I1)
Clinical conditions	Shortness of breath or trouble breathing with exertion (J1100A) Shortness of breath or trouble breathing when lying flat (J1100C) End-stage prognosis (J1400) Internal bleeding (J1550D) Surgical wound (M1040E)
Clinical treatments	Antibiotic received (N0415F) Diuretic received (N0415G) Chemotherapy for cancer (O0110A1) Radiation for cancer (O0110B1) Oxygen therapy (O0110C1) Tracheostomy care (O0110E1) Ventilator or respirator (O0110F) IV medications (O0110H1) Transfusion (O0110I1) Hospice care after nursing home admission (O0110K1) Speech therapy (O0400A4) Respiratory therapy (O0400D2)
Clinical diagnoses	Cancer (I0100) Gastroesophageal reflux disease (GERD) or ulcer (I1200) Neurogenic bladder (I1550) Septicemia (I2100) Cerebrovascular accident, transient ischemic attack, or stroke (I4500) Quadriplegia (I5100) Multiple Sclerosis (I5200) Parkinson's disease (I5300) Respiratory failure (I6300)
Other	Entered nursing home from an inpatient psychiatric (hospital or unit) (A1805)

Long-Stay – Emergency Room/Department Visits

- Example Calculation:
  - Facility with 75 long-stay residents for a total of 27,375 eligible days in the target period of 1 year
  - 40 ED visits during the same target period

  - 27,375 divided by 1000 = 27.375
  - 40/27.375 = 1.46 ED visits per 1,000 long stay resident days

Ensuring Success With Hospitalizations & ED Visits

- Continuous analysis of hospital admissions and ED visits for trends and opportunities to reduce
  - Trends
    - Shift, physician, facility staff, day of week, etc.
  - Competent clinical services
  - Review each case to determine if anything could have been done to prevent
  - Interact Processes – SBAR, Stop and Watch, etc.
  - Physician communication
  - After hour call process
  - Telehealth
  - In-facility NPs
  - Medical director support

MDS & Claims-Based Quality Numbers

Indiana Total Quality Score

- Total Quality Score

Quality Measures	Domain	Percentile Universe	Minimum Performance Percentile	Maximum Performance Percentile	Total Available Points
Percentage of long-stay residents experiencing one or more falls with major injury (MC 410)	MDS	National	0.40	0.90	100.00
Percentage of high risk long-stay residents with pressure ulcers (MC 453)	MDS	National	0.40	0.90	100.00
Number of hospitalizations per 1000 long-stay resident days (MC 551)	Claims	National	0.40	0.90	150.00
Number of outpatient emergency department visits per 1000 long stay residents (MC 552)	Claims	National	0.40	10.90	150.00
Total Nurse Staffing Ratio	Staffing	Indiana	0.40	0.90	125.00

Indiana Total Quality Score

- MDS Measures will be reflective of a 4-quarter average as reflected on your 5-Star reports
  - July 5-Star will be used for January rates
  - January 5-Star will be used for July rates

MDS Long-Stay Measures	2024Q4	2025Q1	2025Q2	2025Q3	4Q avg	Rating Points	4Q avg	4Q avg
Lower percentages are better.								
Percentage of residents experiencing one or more falls with major injury	2.8%	3.0%	1.6%	1.6%	2.3%	80	3.8%	3.3%
Percentage of residents with pressure ulcers[1]	3.7%	5.3%	4.1%	5.4%	4.6%	60	4.1%	5.0%

Indiana Total Quality Score

- Claims-Based Long-Stay Hospitalizations and ED Visits
  - Based on a one-year period

Claims-Based Long-Stay Measures					IN	US	
	Observed Rate[3]	Expected Rate[3]	Risk-Adjusted Rate[3]	Rating Points	Risk-Adjusted Rate	Observed Rate	Risk-Adjusted Rate
Lower rates are better. The time period for data used in reporting is 7/1/2024 through 6/30/2025.							
Number of hospitalizations per 1,000 long-stay resident days[1]	1.06	1.47	1.37	90	1.60	1.898	1.86
Number of emergency department visits per 1,000 long-stay resident days[1]	0.43	1.31	0.54	135	1.48	1.668	1.80

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Indiana Total Quality Score

- Total Quality Score January 1, 2026

Myers and Stauffer LC

Indiana Medicaid

MDS and Claims Based Quality Measures for Nursing Home Long Stay Residents

TQS Calculation Period: January 1, 2026 (7/1/25 Q3)

CMS Nursing Home Compare Dataset Publish Date: July 2025

Dataset Covers Time Period: 04/01/2024 through 03/31/2025

QM Points Assignment Basis: 201701**

Please note that the NSGO and Management Firm columns may not reflect pending or recently completed changes in ownership due to timing but should be updated in future quarters.

Provider	Medicare ID	Provider Name	NSGO	Management Firm
200289420	155729	Adams Heritage	Adams Memorial Hospital	Adams Health Network
100290130	155747	Adams Woodcrest	Adams Memorial Hospital	Adams Health Network
201110380	155805	Addison Pointe Health & Rehab Center	Riverview Hospital	TLC Management, Inc.
100288960	155432	Albany Health Care & Rehabilitation Center	Riverview Hospital	TLC Management, Inc.

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Indiana Total Quality Score

- Total Quality Score January 1, 2026

CMS Measure Code: 410		CMS Measure Code: 479		CMS Measure Code: 551		CMS Measure Code: 552				
Falls w/ Major Injury Value	Falls w/ Major Injury Adjusted Points (a)	Residents w/ Pressure Ulcers Value	Residents w/ Pressure Ulcers Adjusted Points (b)	Number Of Hospitalizations Per 1000 Long-Stay Resident Days Value	Number Of Hospitalizations Per 1000 Long-Stay Resident Days Adjusted Points (c)	Number Of OP ED Visits Per 1000 Long-Stay Resident Days Values	Number Of OP ED Visits Per 1000 Long-Stay Resident Days Adjusted Points (d)	Nursing Facility Staffing Ratio Measure Value	Nursing Facility Staffing Ratio Prior Period Points Adjustment	Nursing Facility Staffing Ratio Points (e)
4.08163	0.00000	6.95229	0.00000	1.94214	1.35006	1.41230	49.81908	1.0671	100%	125.0000
3.47395	1.18494	0.77610	100.00000	1.07931	121.50955	1.24919	70.23614	0.8750	100%	34.4101
3.01003	16.96892	2.43336	82.69564	2.02085	0.00000	0.80989	125.22707	0.8788	100%	36.3221
3.06122	15.22721	12.31585	0.00000	1.99825	0.00000	1.32816	60.35163	0.9485	100%	71.5534

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Total Quality Score 1/1/2026 Cut Points

Quality Measure Cut Point Values							
Quality Metric	**Domain**	**Quality Direction**	**Percentile Universe**	**Minimum Performance Percentile**	**Maximum Performance Percentile**	**Total Available Points**	**Statewide Average Measure Points**
Percentage of long-stay residents experiencing one or more falls with major injury (Measure Code 410)	MDS Based Measure	Lower	National	3.50877	0.56964	100	24.09728
Percentage of long-stay residents with pressure ulcers (Measure Code 479)	MDS Based Measure	Lower	National	5.67112	1.75585	100	41.41654
Number of hospitalizations per 1000 long-stay resident days (Measure Code 551)	Claims Based Measure	Lower	National	1.95183	0.87472	150	61.90289
Number of outpatient emergency department visits per 1000 long-stay resident days (Measure Code 552)	Claims Based Measure	Lower	National	1.81029	0.61199	150	61.32765
Total nurse staffing ratio	Staffing	Higher	Indiana	0.80684	1.05437	125	

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Indiana Quality Measure Trends

- Trends

	1/1/26 Rate Statewide Average	7/1/25 Rate Statewide Average	1/1/25 Rate Statewide Average	7/1/24 Rate Statewide Average
Falls w/ Major Injury Value	3.82	3.74	3.75	3.93
Falls w/ Major Injury Adjusted Points (100 points)	24.10	26.49	26.92	23.98
Residents w/ Pressure Ulcers Value	4.63	4.91	6.80	6.84
Residents w/ Pressure Ulcers Adjusted Points (100 points)	41.42	41.14	41.81	41.72
Number Of Hospitalizations Per 1000 Long-Stay Resident Days Value	1.63	1.61	1.48	1.74
Number Of Hospitalizations Per 1000 Long-Stay Resident Days Adjusted Points (150 points)	61.90	60.76	62.48	57.86
Number Of OP ED Visits Per 1000 Long-Stay Resident Days Value	1.51	1.54	1.49	1.24
Number Of OP ED Visits Per 1000 Long-Stay Resident Days Adjusted Points (150 points)	61.33	56.78	56.39	48.46

Payroll-Based Journal Reporting (PBJ)

Why staffing accuracy matters for quality points & reimbursement

What Is Payroll-Based Journal (PBJ)?

Payroll-Based Journal Reporting (PBJ) is a CMS-required system used to collect and verify staffing data for nursing facilities.

Key PBJ Requirements:

- Staffing hours reported **daily**

- Submitted **quarterly** to CMS

- Based on **payroll and timekeeping records**

- Includes:

  ○ RNs, LPNs, and CNAs

  ○ Therapy staff (including respiratory therapy)

  ○ Contract and agency staff

Why PBJ Matters:

- Drives **5-Star Staffing ratings**

- Directly impacts **Indiana Quality Program staffing points**

- Errors or missing data can result in **lost quality points**

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PBJ's Role in Indiana's Quality Program

PBJ Data Feeds the Staffing Ratio Component

Indiana Quality Program staffing score compares:

- **Total nurse staffing hours per resident day PLUS**
- **Respiratory therapy hours per resident day DIVIDED BY**
- **Case-mix adjusted nurse staffing hours per resident day**

Key Facts:
- Staffing component is worth **up to 125 quality points**
- **Higher ratio = more points**
- PBJ data must be **accurate and complete** to earn full credit

Unlike clinical measures, PBJ performance is **fully within a facility's operational control**

Source: Indiana FSSA Quality Program Calculation; CMS Payroll-Based Journal (PBJ)

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PBJ Data Flow – From Staffing to Dollars

How PBJ Becomes Quality Points

1. Payroll and timekeeping systems

2. Daily census data

3. Quarterly PBJ submission to CMS

4. PBJ staffing hours used in Indiana staffing ratio

5. Staffing ratio converts to **quality points**

6. Quality points convert to **Indiana Quality Add-On dollars**

Key Risk Areas

- Missing contract or agency hours

- Incorrect job codes

- Census and staffing misalignment

- Late or incomplete submissions

Takeaway

- Errors at any step result in **lost staffing points**

Source: CMS Payroll-Based Journal (PBJ); Indiana FSSA Quality Program Calculation

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PBJ Data Timing & Missing Data Penalties

Which PBJ Data Is Used?

- **Current quarter PBJ data** drives staffing points

If PBJ Data Is Missing:

- Prior quarter used at **80%**
- Two quarters back used at **60%**
- Three quarters back used at **40%**
- No usable data = **significant point loss**

Impact

- Even strong clinical quality may not fully offset poor or missing PBJ data
- PBJ errors directly reduce **Indiana Quality Add-On dollars**

Source: Indiana Office of Medicaid Policy and Planning Long Term Care Info | Myers and Stauffer

Common PBJ Pitfalls

Common Issues We See

- Incorrect job codes

- Missing contract/agency hours

- Inconsistent census vs. staffing alignment

- Late submissions

- Payroll system ≠ PBJ reporting logic

Best Practices

- Monthly PBJ internal audits

- Reconcile payroll, census, and PBJ hours

- Validate contract staffing uploads

- Monitor PBJ Preview Reports before submission

Most PBJ issues are discovered only after points are finalized.

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PBJ As a Controllable Revenue Lever

How to Maximize PBJ Points

- Align staffing strategy with case-mix

- Use PBJ trends to forecast quality points

- Monitor staffing ratios *before* quarter close

- Coordinate PBJ review across:

  - Payroll

  - Nursing leadership

  - Finance

Connecting PBJ to Profit
✅ **Accurate PBJ = More Quality Points**
✅ **More Points = Higher Indiana Quality Add-On**
✅ **PBJ performance can be monitored and adjusted before quarter close**

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Connecting PBJ to Profit

What Makes PBJ Different

- **Not risk-adjusted**

- **Not claims-lagged**

- **Not survey-dependent**

- **Fully within facility control**

PBJ Reality

- **Staffing ratio performance can increase or erode quality points**

- **Missing PBJ data triggers reduced scoring**

- **PBJ accuracy protects existing revenue before improvement even begins**

Source: Indiana FSSA Quality Program Calculation

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How Forvis Mazars Can Support PBJ

We offer comprehensive support to help facilities organize data, monitor PBJ results, and help ensure compliance while avoiding potential negative outcomes.

Our Services Include:

- **Staffing Data Analysis:** We analyze staffing data and suggest changes to improve the five-star rating.
- **Data Validation:** We validate staffing data and identify potential PBJ audit triggers.
- **Visual Dashboards:** We create dashboards to monitor hours per resident day, staffing per facility, and daily staff count.
- **Contract Labor Quantification:** We quantify and validate contract labor/agency hours.
- **File Management:** We assemble, validate, and submit their PBJ file.

Reports Provided:

- Issue Analysis
- Quarterly Totals Report by Job Title
- Predictive Five-Star Report

Our team manages the entire process, from data input to validation.

We also assist with Audit requests, as needed.

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Questions?

Contact

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