

**CHAPTER 161****(SJR 176)**

A JOINT RESOLUTION directing the Cabinet for Health and Family Services to take advantage of any solicitation from the federal Centers for Medicare and Medicaid Services for states to participate in pay-for-performance demonstrations to improve the quality of long-term care.

WHEREAS, the quality of care provided in nursing homes has long been a matter of concern to consumers, health care professionals, and policy makers; and

WHEREAS, in its 2001 report, "Improving the Quality of Long-Term Care," the Institute of Medicine reported that serious problems concerning quality of care continue to affect residents of nursing home residents in the United States; and

WHEREAS, to improve the quality of long-term care, federal policy makers are experimenting with positive incentives to reward providers who demonstrate better quality; and

WHEREAS, the federal Centers for Medicare and Medicaid Services (CMS) plan to solicit competitive proposals for a three-year Medicare pay-for-performance demonstration that provides incentive for better outcomes; and

WHEREAS, the proposed Medicare demonstration will be designed to evaluate quality based on a matrix of domains, including appropriate hospitalization, resident outcomes, state certification survey outcomes, residential care strengths, end-of-life care, and staffing patterns, training, and turnover rates; and

WHEREAS, although the Medicare pay-for-performance demonstration remains in the planning phase of development, it is anticipated that participating nursing facilities would receive financial rewards based on the change in the scores on outcome measures; and

WHEREAS, in addition, state Medicaid programs are encouraged to develop proposals for Medicaid pay-for-performance demonstrations designed to evaluate quality based on a matrix of domains, including appropriate hospitalization, resident outcomes, state certification survey outcomes, residential care strengths, end-of-life-care, and staffing patterns, training and turnover rates, and to provide financial incentives to nursing facilities that demonstrate better outcomes in care; and

WHEREAS, it is in the interest of the citizens of the Commonwealth to implement strategies to improve the quality of care and the quality of life of individuals who are living in long-term care facilities;

NOW, THEREFORE,

*Be it resolved by the General Assembly of the Commonwealth of Kentucky:*

Section 1. The Cabinet for Health and Family Services shall submit an application in response to any solicitation from the federal CMS for states to participate in a Medicaid pay-for-performance demonstration to improve the quality of long-term care if CMS provides funding for the administrative and operational costs.

Section 2. The Cabinet for Health and Family Services shall explore opportunities to participate in federal pay-for-performance demonstrations that would provide financial incentives to nursing facilities for improvement in the outcomes of care.

**Approved April 5, 2006.**