Minnesota Department of Human Services logo


**Nursing Facility Performance-Based**

**Incentive Payment Program (PIPP)**

Laws of Minnesota 2006, Chapter 282, Article 20, Section 21, M.S. 256R.38.

**REQUEST FOR PROPOSALS**

**February 2019**

**What is PIPP?**

In 2006, the Minnesota Department of Human Services (DHS) launched the Nursing Facility Performance-Based Incentive Payment Program (PIPP). PIPP strives to:

* Support providers as they work to improve quality, increase efficiency, and/or shift resources from institutional to community care;
* Demonstrate how evidence-based practices can improve the quality and efficiency of care;
* Encourage providers to innovate and take risks;
* Foster collaboration and shared learning both within and between organizations;
* Establish a business case for investment in better quality from the perspective of multiple stakeholders – Medicaid, providers, and consumers; and
* Identify the key elements of successful quality improvement efforts, costs and benefits, and how they might be disseminated across the nursing home industry.

All Medicaid certified nursing facilities in Minnesota are invited to submit proposals for contract amendments. Provider-initiated quality improvement projects are selected through a competitive process and funded for up to 5% of the weighted average operating payment rate.

Funding available to implement new projects for fiscal year ending June 30, 2019 is equal to approximately $2.0 million (state share). DHS has authority to negotiate amendments to Alternative Payment System (APS) contracts. This communication constitutes the Department’s request for proposals to amend an APS contract (RFP).

Minnesota has made a major investment in PIPP by supporting 318 individual or collaborative projects with total funding of over $147 million to date. 79% of facilities operating in Minnesota today have had at least one PIPP project.

**A facility may not submit multiple proposals that in total exceed 5% or participate in submissions of multiple collaborative proposals that total more than the maximum 5% rate increase. In addition, facilities with existing contracts for the maximum 5% increase for rate year beginning January 1, 2020, are not eligible to apply.**

**\*New in Round 13\***

In reviewing lessons learned and experience gained in administering PIPP over the last 12 years, a number of changes and priorities for this round are noted below. DHS will include the following in its selection process beginning with this RFP:

* Proposals should address topics where facility baseline data supports the topic as a problem area. This is especially important for collaborative proposals. Facilities participating in a collaborative project must address a topic area that is a shared common problem among all participating facilities. Existing collaborative or chain organizations may submit more than one proposal which splits member facilities into groups that share a common problem area(s).
* Facilities are highly encouraged to choose validated outcome measures such as those on the Minnesota Nursing Home Report Card (<http://nhreportcard.dhs.mn.gov/>). Projects relying on process measures as a means for determining achievement of project goals will be less competitive. For example, a count of employees completing a training program or achieving a certain competency level are considered process measures.
* Projects that clearly benefit nursing home residents will be given priority. Proposals seeking PIPP funding to address nursing home staffing or services that a facility is already responsible for will be less competitive. For example, a training program for staff to meet new regulatory compliance guidelines is a basic requirement of participation in the Medicaid program.
* DHS will negotiate the portion of project funding at risk if project outcomes are not achieved. The amount at-risk will vary depending on the scope and complexity of the project, the baseline data and the outcome measures proposed.
* DHS will determine collaborative project outcome performance based on a combination of individual facility performance and average collaborative performance. For example, each provider participating in a collaborative project will have an at-risk portion tied to the collaborative average performance as well as an at-risk portion tied to their own performance on the selected outcome measures.

**What are the goals of PIPP?**

PIPP aims to draw upon the knowledge and creativity of providers as well as best practices in long-term care that have been shown to be effective or hold promise of effectiveness. DHS is interested in proposals that describe specific strategies to achieve any or all of three broad goals:

* **Improve the quality of care and quality of life of nursing home residents in a measurable way**. Improved quality is usually reflected by improved performance on a quality indicator. In some cases, it might mean slowing the rate of decline or maintaining the current level.
* **Deliver good quality care more efficiently.** Improving efficiency implies achieving better care-related outcomes without increasing cost or achieving good outcomes for less cost. This could include the use of new technologies, new management or organizational strategies, and other ideas that lead to measurable changes in costs and/or quality.
* **Rebalance long-term care and make more efficient and effective** **use of resources**. This could include successful diversion or discharge of residents from the nursing facility, reduction of hospitalizations from the nursing home, and improvements in health or functioning that can lower resident acuity or case-mix.

**How do we write our PIPP proposal?**

Proposals must be submitted electronically using the **PIPP Fillable Proposal Form (January 2019)**. This is a fillable Word document in a table format allowing for expansion of each section as needed. To access the form and a step-by-step instruction manual, visit the DHS provider portal login page at <https://nfportal.dhs.state.mn.us>

The fillable form is divided into several required sections. Completion of each section is required. It is critical that you review the instruction manual carefully. The instruction manual provides examples for many of the required sections. These examples are fictitious and only included to assist you in preparing your proposal. The examples are not intended to convey a topic area that would receive priority by the selection committee.

**The completed form must be submitted to DHS as an email attachment by midnight on May 1, 2019.** The email address for submission is: [DHS.NFRP.CostReport@state.mn.us](mailto:DHS.NFRP.CostReport@state.mn.us)

**How are proposals reviewed?**

DHS Nursing Facility Rates and Policy staff will review all proposals received by the deadline to ensure all required components are included in the proposal. Proposals that do not contain all required sections will not move forward.

DHS will then convene a selection committee to review all proposals that passed Phase I. The selection committee will make recommendations to the commissioner. The selection committee includes staff from DHS, the Department of Health, and stakeholder representatives. DHS will enter into negotiations with those providers recommended by the selection committee.

In addition to the criteria listed above, the selection committee judges proposals by other standards including:

* Importance – is it clear that the proposal addresses a priority issue? How well does the proposal address PIPP’s goals?
* Evidence-based – proposal draws on clinical or organization evidence, expert opinion, or experience in other settings.
* Objective, measurable and reliable goals – will it be clear that the goals were met? Does the facility include baseline data to show their need for improvement in the chosen area(s)? Are Nursing Home Report Card measures (<http://nhreportcard.dhs.mn.gov/>) used to measure performance? If non-Report Card measures are proposed, how well do they meet the following criteria:
  + There is evidence for the reliability and validity of the measure based on previous studies or applications.
  + The measure is collected and analyzed by a third party (for instance, the post-acute quality of care measures on Medicare’s Nursing Home Compare website).
  + If not, does the facility/collaborative have the expertise and resources to complete the data collection (and analysis, if necessary)?
* Innovative – priority will be given to new concepts or partnership arrangements but they should have a strong rationale.
* Broad-based applicability – can the strategy be shared with other facilities? Does the strategy address a common problem?
* Prospective – outcome goals must be prospective but the strategy can build on past improvement.
* Feasibility – likelihood that the strategy will be successful.
* Collaboration – the collaborative has a clear plan of involvement for each participating entity.
* Sustainability – likelihood the strategies will result in sustainable results after the payment period ends.

**Tentative Implementation Schedule:**

| **May 1, 2019** | **Proposals due by midnight**  **Attach the completed form to an email and send to:** [DHS.NFRP.CostReport@state.mn.us](mailto:DHS.NFRP.CostReport@state.mn.us) |
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| May 2019 | Phase I review of proposals |
| June 2019 | Phase II review and selection of proposals |
| July 2019 – October 2019 | Negotiate contracts |
| January 1, 2020 | Incentive payments begin |

Nursing facilities participating in PIPP will be required to submit project status information to DHS on a form and in a manner determined by DHS beginning six months after the start of the project and continuing until completion of the measurement period for the project. The template for PIPP project status reports can be found on the log-in page of the DHS provider portal at <https://nfportal.dhs.state.mn.us>

Round 14 will begin on approximately the same annual schedule with the issuance of a Request for Proposals in January 2020.

**For technical assistance in preparing your proposal, please contact, Kim Class, DHS at (651) 431-2233 or** [**Kimberly.Class@state.mn.us**](mailto:Kimberly.Class@state.mn.us)