§ 2808-d. Nursing home quality improvement demonstration program. 1. Notwithstanding any law, rule or regulation to the contrary, the commissioner shall, within amounts appropriated and subject to the availability of federal financial participation, establish a demonstration program to improve the quality of care for nursing home residents through the increase or improvement of direct care staff at nursing homes. In furtherance of such demonstration program the commissioner shall adjust the Medicaid rates of payment to nursing homes, selected pursuant to a competitive process, provided, however, that payments made pursuant to this section to public residential health care facilities shall be made as grants and shall not be deemed medical assistance payments. Requests for proposals for eligible projects shall be issued by the commissioner, provided however that the commissioner shall not issue any new requests for proposals after December thirty-first, two thousand four and all awards for subsequent annual periods shall be distributed on the same proportional basis as the most recent available distribution. After December thirty-first, two thousand four, awardees may use funds received for any of the purposes listed in subdivision two of this section, without restriction.

2. Such eligible projects may include:

(a) an increase in direct care staff, either facility wide or targeted at a particular area of care or shift;

(b) increased training and education of direct care staff, including allowing direct care staff to increase their level of licensure relevant to nursing home care;

(c) efforts to decrease staff turn-over; and

(d) other efforts related to the recruitment and retention of direct care staff that will effect the quality of care at such facility.

3. The commissioner shall consider, in selecting projects, the likelihood that such project will improve the care for the residents of the facility, the financial need of the nursing home and such other matters as the commissioner deems appropriate.

4. Grants and adjustments to Medicaid rates of payment made pursuant to this section shall not, in aggregate, exceed sixty-two million five

hundred thousand dollars for the period beginning April first, two thousand two and ending December thirty-first, two thousand two, and, on an annualized basis, for each annual period thereafter beginning January first, two thousand three and ending December thirty-first, two thousand four, and shall not, in aggregate, exceed forty-six million eight hundred seventy-five thousand dollars for the period July first, two thousand five through December thirty-first, two thousand five and shall not, in aggregate, on an annualized basis, exceed seventy-eight million one hundred twenty-five thousand dollars for the period January first, two thousand six through December thirty-first, two thousand six and sixty-two million five hundred thousand dollars for the period January first, two thousand seven through June thirtieth, two thousand seven.

5. Adjustments to Medicaid rates of payment made pursuant to this section shall not be subject to subsequent adjustment or reconciliation.

6. Notwithstanding any other provisions of this section or any other contrary provision of law, the commissioner may, from funds allocated pursuant to subparagraph (ii) or (iii) or (iv) of paragraph (u) of subdivision one of section twenty-eight hundred seven-v of this article, in calendar year two thousand five, make grants in an aggregate amount not to exceed twelve million five hundred thousand dollars, to residential health care facilities in support of projects or programs designed to improve specific areas of quality of care, as determined by the commissioner using established measures of such quality of care, and provided further the commissioner may, from funds allocated pursuant to paragraph (u) of subdivision one of section twenty-eight hundred seven-v of this article, for the period January first, two thousand six through June thirtieth two thousand seven, make grants in an aggregate amount not to exceed thirty-five million dollars on an annualized basis, to residential health care facilities that have an arbitrator's decision rendered before April first, two thousand six, requiring payments related to the recruitment and retention of direct care staff, including salary and benefits. Each eligible facility shall receive a payment amount proportional to the amount each such facility owes pursuant to the arbitrator's decision compared to such amounts owed by all eligible facilities.