Quality Assurance Assessment Fee clarification

*Enhanced Medicaid Payment*

**Enhanced Medicaid Payment**
Most providers will receive Medicaid payments in excess of the amount of the Quality Assurance Assessment they have to pay in. While you only pay in an amount at the end of each quarter, you will receive additional Medicaid payments each month you submit claims. The amount of your enhanced payment will be calculated on a separate form that will be released in the coming weeks. Providers are required to demonstrate how at least 60 percent of this additional funding is spent. For example:

A  Amount Paid In
   (All Non-Medicare Days X Rate)  $56,000

B  Amount Received
   (Medicaid Days Only X Rate+$10)  $90,000

C  Net Enhanced Payment
   (B - A)  $34,000

D  Total Amount To Demonstrate
   (60% X C)  $20,400

E  Amount Directed To CNAs
   (35% X C)  $11,900

F  Amount Directed To All Other Staff Excluding Administrator
   (D-E)  $8,500

The total amount each provider needs to demonstrate is 60 percent of the Enhanced Payment. Included in that amount is 35 percent of the total that is to be dedicated only to CNAs. Each facilities calculation will be unique and will vary each quarter. I hope this helps make it more clear as to what the requirements are. Below I have included the actual language in the SF 476 as it was passed and signed into law last year.
b. (1) It is the intent of the general assembly that priority in expenditure of rate adjustment increases provided to nursing facilities through the quality assurance assessment be related to the compensation and costs of employment for nursing facility staff.
(2) If the sum of the quality assurance assessment pass–through and the quality assurance assessment rate add–on is greater than the total cost incurred by a nursing facility in payment of the quality assurance assessment, no less than thirty–five percent of the difference shall be used to increase compensation and costs of employment for direct care workers and no less than sixty percent of the difference shall be used to increase compensation and costs of employment for all nursing facility staff.
(3) For the purposes of determining what constitutes increases in compensation and costs of employment the following shall apply:
(a) Increases in compensation shall include but are not limited to starting hourly wages, average hourly wages paid, and total wages including both productive and nonproductive wages, and as specified by rule of the department.
(b) Increases in total costs of employment shall include but are not limited to costs of benefit programs with specific reporting for group health plans, group retirement plans, leave benefit plans, employee assistance programs, payroll taxes, workers’ compensation, training, education, career development programs, tuition reimbursement, transportation, and child care, and as specified by rule of the department.
(c) Direct care workers and nursing facility staff do not include nursing facility administrators, administrative staff, or home office staff.

If you have any questions or need further clarification, please contact Jeff at jeff@bcgdata.net or Steve Ackerson, IHCA Executive Director, at steve@iowahealthcare.org.

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