

Quality Assurance Assessment Fee and Base Rate Changes

Jessica McBride Iowa Medicaid Program Manager
Andrew Johnson Iowa Medicaid Provider Cost Audit

Quality Assurance Assessment Fee(QAAF) Rules and Regulation

Iowa Code Reference

Iowa Code § [249L](#)

Iowa Administrative Code

441 Chapter 36 (pass-through specifically 441 CH 36.6)

441 Chapter 81.6(21)b (add-on)

Impact of QAAF Changes effective April 2023

- The overall impact of the QAAF changes resulted in the following increases:
 - QAAF add-on and pass-through payments = \$117.2 million
 - QAAF payments to the state = \$68.5 million
 - QAAF net change = \$48.7 million
 - Base rate per diem = \$65.8 million
- The net increase to providers is \$114.5 million!
- These are estimated annual amounts

QAAF

There are two components to the QAAF the state pays for Medicaid days, both fee-for-service (FFS) and managed care organization (MCO) claims. First, the state pays an add-on per Medicaid day to all Medicaid certified nursing facilities (NF), except the Iowa Veteran's Home, as it is excluded. The amount of the individual NF fees is also included in the payment rate as the pass-through. Providers in a waiver class pay a different amount than those not meeting any of the following:

Current Waiver classes are:

- 46 or few beds
- 21,000 or more Medicaid recipient days
- Classified by the Iowa Insurance Division (IID) as a continuing care retirement community (CCRC)

Exempt groups (still are paid the add-on) are:

- Non-State Government Owned (NSGO) entity
- Hospital based NF providing only skilled level of care (SNF)

Entities, including those that are not Medicaid certified, remit the amount of the fee back on a quarterly basis. The providers pay the fee (pass-through) for all of their days except for where Medicare is the payor.

Current Model verses Updated Model - Add-on and Pass-through

	Current Model	New Model
Add-on	\$15.00	\$37.00
Pass-through	\$12.75	\$33.90
Waiver class Pass-through	\$2.45	\$6.51

Current Model verses Updated Model - Waiver Classes

	Current Model	New Model
Continuing Care Retirement Centers (CCRC)	yes	yes
Maximum beds	46	46
Medicaid Patient Days	21,000	19,000

Please note that the waiver class as of March 31, 2023, will not change on April 1, 2023. Ex: if beds were decreased to 46 or fewer after June 1, 2022, a provider will not be in a waiver class until July 1, 2023.

Impact of QAAF Changes Timeline

- Public and Tribal notice must be posted for 30 days. The notices were posted on February 24, 2023.
- State Plan Amendment (SPA) will be submitted to the Centers for Medicaid and Medicare Services (CMS) after the public and tribal comment period.
- Changes to the QAAF and base rate per diem increases will be effective April 1, 2023.
- Rates will be mailed within the week of March 27, 2023.
- Rates will be transmitted to the MCO's and fee-for-service after the SPA has been submitted to CMS
- Rates will be posted to the website within the week of April 3, 2023.

Paying QAAF to the State

- Entities, including those that are not Medicaid certified, remit the amount of the fee back on a quarterly basis. The providers pay the fee for all of their days except for where Medicare is the payor.
- QAAF payments are due 30 days after the end of the quarter.
- Payments are made to providers prior to the due date of the fees back to the state. Providers need to determine how to escrow to ensure remittance is made timely.
- Penalties will be assessed for late payments, which includes payment made at incorrect amounts.
- Iowa Medicaid will release the rates while the SPA is pending. If there are changes to the amounts, claims will need to be reprocessed.
- Form 470-4836, Iowa Medicaid Nursing Facility QAAF calculation worksheet will be updated with new amounts and available on the website by June 30, 2023.
- The form can be found [here](#)

Inflation for Base Rate

- Current Inflation is from the mid point of the 2018 cost report to January 1, 2019.
- Updated inflation is from the midpoint of the 2018 cost report to April 1, 2023
- Direct care median is increasing from \$93.74 to \$100.97.
- Indirect care median is increasing from \$104.80 to \$112.94.
- Rates effective at April 1, 2023, will changes due to case mix index changes.
- Changes to the base rate are only effective for the quarter ending June 30, 2023.
- There may be additional changes effective July 1, 2023, due to the legislative session and rebasing using 2022 cost reports.

Friendly Reminders

- Changes to case mix rosters and weighted average
- IMPA access
- July rates will be based off the 2022 cost reports
- Semiannual rates
- Early submission of cost reports and impact on release of rates
- Usual and Customary billing-see IL-1785
- PDPM working on it
- Any CHOW's or name changes need to be reported to Iowa Medicaid 60 days prior to the changes
- This training will be posted to the HHS website at:
<https://hhs.iowa.gov/ime/providers/csrp/nfr>

Questions

Questions Asked and Responses

- Q: Waiver classes, when are they reviewed?
 - A: Waiver classes are reviewed annually with information from cost reports received by June 1 for the year beginning the following July 1.

- Q: Why is there a requirement to bill usual and customary charges?
 - A: When provider reimbursement rates are adjusted, providers who have billed their usual and customary charge rate will not need to resubmit claims to receive the adjusted reimbursement rate. Providers will be able to resubmit a claim if an incorrect rate was listed on their original claim.

- When will July 1, rates be available?
 - July 1 rates will be available after the desk review process is completed, an inflation factor is determined based on the current legislation appropriation is provided and public notice of the rates changes have been published for 30 days.