



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

INFORMATIONAL LETTER NO.1065

DATE: October 14, 2011

TO: Iowa Medicaid Nursing Facilities

ISSUED BY: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: Quality Assurance Assessment Fee (QAAF)

The purpose of this Informational Letter is to provide nursing facilities with information regarding changes to the structure of the Quality Assurance Assessment Fee (QAAF). The assessment level based on the number of beds is being changed from 50 to 46.

Beginning on July 1, 2012, the bed capacity and community care retirement community status (CCRC) on May 1 of each year, will be used to determine the assessment level that will be effective July 1 of each year, in accordance with the proposed changes to 441 IAC 36.6(2).

Any facility that has more than 46 beds as of July 1, 2011, will not qualify for the waiver tax rate of \$1.00. If a facility reduces beds to 46 or less after July 1, 2011, the waiver tax rate will change to \$1.00 effective the first day of the quarter following the change. This follows the current IME procedures for recognizing bed capacity changes.

Even though calculations for the base-rates are not completed, (see Informational Letter 1047, dated August 30, 2011) the amount of the pass-through will be adjusted effective July 1, 2011. For those facilities having beds between 46 and 49 the rate pass-through will increase from \$1.00 to \$5.26. The amount to be remitted to the state will also increase to \$5.26 for periods beginning July 1, 2011, in accordance with Iowa Administrative Code (IAC) 441 chapter 81.6(21), the "pass-through shall equal the per-patient-day assessment determined pursuant to 441-subrule 36.6(2)."

Facilities that are affected by this change and have already submitted Form 470-4836, Nursing Facility Quality Assurance Assessment Calculations Worksheet, should use an additional form to submit the additional funds. If payments are not received by November 15, 2011, an amount equal to the difference between the amount paid and amount owed will be withheld from future claims.

In addition to the above change, the IME will be reviewing changes to the pass-through amount for facilities that became CCRCs or changed the number of licensed beds since April 1, 2010. We have received information from the Iowa Insurance Division and the Department of Inspections and Appeals to confirm changes reported on the form 470-4836. In many cases, the amount of the pass-through has changed from \$5.26 per day to \$1.00 per day,

resulting in an overpayment on claims. An adjustment will be made on October 31, 2011, to reprocess claims for those providers affected by these changes.

Should you have any questions, please contact the IME Provider Cost Audit and Rate Setting Unit at 866 863-8610, locally in Des Moines at 515-256-4610, or by email at costaudit@dhs.state.ia.us.