

**INFORMATIONAL LETTER NO. 2008-MC-FFS**

**DATE:** April 16, 2019

**TO:** Iowa Medicaid Nursing Facilities (NF) and Skilled Nursing Facilities (SNF)

**APPLIES TO:** Managed Care (MC), Fee-for-Service (FFS)

**FROM:** Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

**RE:** Quality Assurance Assessment Fee (QAAF)

**EFFECTIVE:** July 1, 2019

Senate File (SF) 2418 (2018) removed the state imposed limitation of the percentage used for calculating the amount of non-Medicare revenue to determine the amount of assessment fees. On March 27, 2019, DHS received approval from the Centers for Medicare and Medicaid Services (CMS) to update the assessment structure effective July 1, 2019.

Effective July 1, 2019, all NF and SNF providers, including non-state government owned (NSGO) providers, will receive an add-on of \$15.00 per day (currently \$10.00). All NF and SNF providers, excluding NSGOs, will receive a pass-through of either \$12.75 or \$2.45 per day (currently \$7.13 or \$1.36). Providers meeting one of the following criteria will receive the waiver fee of \$2.45:

- 46 or fewer beds, effective May 1, 2019.
- 21,000 or more annual Medicaid days, based on cost report information received on or before May 1, 2019.
- Continuing care retirement community (CCRC) effective May 1, 2019.

Beginning with the assessment fee payments for the quarter ending September 30, 2019, due October 31, 2019, fees should be paid at the updated fee rate. If the correct amount is not paid, a penalty of 1.5 percent will be applied to the difference.

In anticipation of July 1, 2019, rebase being delayed awaiting CMS approval, rate letters effective July 1, 2019, reflecting the new fee structure will be sent using the April 1, 2019 base-rate and transmitted to the Medicaid Managed Care Organizations (MCOs). Once the rebase is approved by CMS, revised rates using the updated base-rate will be issued.

If you have any questions, please contact Sally Oudekerk at [soudeke@dhs.state.ia.us](mailto:soudeke@dhs.state.ia.us) or 515-256-4643.