

---

## BUDGET UNIT BRIEF – FY 2023

Fiscal Services Division

July 1, 2022



---

Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

## Medical Assistance — Quality Assurance Trust Fund

### Background

[Senate File 476](#) (FY 2010 Nursing Facility Assessment Act) imposed a quality assurance assessment (tax) on nursing facilities for each patient day. The assessment applies to all for-profit and nonprofit private nursing facilities, but not to State nursing facilities. Revenue received from the assessment is deposited in the Quality Assurance Trust Fund (QATF) under the authority of the Department of Human Services (DHS). The moneys in the Fund are used to provide a supplemental appropriation to the Medicaid Program, matched with federal financial participation, which is intended to increase nursing facility reimbursement. This payment, to the extent possible, is intended to offset the cost of the assessment to nursing facilities.

### Assessment Fee

The nursing facility assessment fee was increased from 2.18% to 3.95% beginning in FY 2020. The increase in the assessment fee is estimated to increase revenues collected from \$36.7 million to \$56.3 million annually. The funds are appropriated to the Medicaid Program to allow the State to draw federal matching funds, resulting in a net increase for Medicaid revenue.

### Related Statutes and Administrative Rules

Iowa Code chapter [249L](#)

Iowa Administrative Code [441—36](#)

### Budget Unit Number

4130N420985

Doc ID 1285166

---

### More Information

National Conference of State Legislatures Health Provider Tax Information:  
[www.ncsl.org/research/health/health-provider-and-industry-state-taxes-and-fees.aspx](http://www.ncsl.org/research/health/health-provider-and-industry-state-taxes-and-fees.aspx)  
LSA Staff Contact: Eric M. Richardson (515.281.6767) [eric.richardson@legis.iowa.gov](mailto:eric.richardson@legis.iowa.gov)