

**249L.4 Quality assurance trust fund — limitations of use — reimbursement adjustments to nursing facilities.**

1. A quality assurance trust fund is created in the state treasury under the authority of the department. Moneys received through the collection of the nursing facility quality assurance assessment imposed under [this chapter](#) and any other moneys specified for deposit in the trust fund shall be deposited in the trust fund.

2. Moneys in the trust fund shall be used, subject to their appropriation by the general assembly, by the department only for reimbursement of services for which federal financial participation under the medical assistance program is available to match state funds. Any moneys appropriated from the trust fund for reimbursement of nursing facilities, in addition to the quality assurance assessment pass-through and the quality assurance assessment rate add-on which shall be used as specified in [subsection 5](#), paragraph “b”, shall be used in a manner such that no less than thirty-five percent of the amount received by a nursing facility is used for increases in compensation and costs of employment for direct care workers, and no less than sixty percent of the total is used to increase compensation and costs of employment for all nursing facility staff. For the purposes of use of such funds, “*direct care worker*”, “*nursing facility staff*”, “*increases in compensation*”, and “*costs of employment*” mean as defined or specified in [this chapter](#).

3. The trust fund shall be separate from the general fund of the state and shall not be considered part of the general fund of the state. The moneys in the trust fund shall not be considered revenue of the state, but rather shall be funds of the quality assurance assessment program. The moneys deposited in the trust fund are not subject to [section 8.33](#) and shall not be transferred, used, obligated, appropriated, or otherwise encumbered, except to provide for the purposes of [this chapter](#). Notwithstanding [section 12C.7, subsection 2](#), interest or earnings on moneys deposited in the trust fund shall be credited to the trust fund.

4. The department shall adopt rules pursuant to [chapter 17A](#) to administer the trust fund and reimbursements made from the trust fund.

5. a. The determination of medical assistance reimbursements to nursing facilities shall continue to be calculated in accordance with the modified price-based case-mix reimbursement system as specified in 2001 Iowa Acts, ch. 192, section 4, [subsection 2](#), paragraph “c”. In addition, moneys that are appropriated from the trust fund for reimbursements to nursing facilities that serve the medically indigent shall be used to provide the following nursing facility reimbursement rate adjustment increases within the parameters specified:

(1) A quality assurance assessment pass-through. This rate add-on shall account for the cost incurred by the nursing facility in paying the quality assurance assessment, but only with respect to the pro rata portion of the assessment that correlates with the patient days in the nursing facility that are attributable to medically indigent residents.

(2) A quality assurance assessment rate add-on. This rate add-on shall be calculated on a per-patient-day basis for medically indigent residents. The amount paid to a nursing facility as a quality assurance assessment rate add-on shall be ten dollars per patient day.

(3) Nursing facility payments for rebasing pursuant to 2001 Iowa Acts, ch. 192, section 4, [subsection 3](#), paragraph “a”, subparagraph (2).

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.

(4) Each nursing facility shall submit to the department, information in a form as specified by the department and developed in cooperation with representatives of the Iowa caregivers association, the Iowa health care association, the Iowa association of homes and services for the aging, and the AARP Iowa chapter, that demonstrates compliance by the nursing facility with the requirements for use of the rate adjustment increases and other reimbursements provided to nursing facilities through the quality assurance assessment.

6. The department shall report annually to the general assembly regarding the use of moneys deposited in the trust fund and appropriated to the department.

2009 Acts, ch 160, §4, 5

Referred to in [§249L.3](#)

Implementation of chapter contingent upon departmental determinations, submission of medical assistance program waiver and state plan amendment requests, and federal approval of the requests; 2009 Acts, ch 160, §5 – 9