



Nursing Facility Quality Payment Program Proposed Model

April 2026

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Proposed Iowa Medicaid Nursing Facility Value-Based Payment Program

Background

House File 1049, passed during the 2025 Iowa legislative session included the following requirement:

Sec. 16. NURSING FACILITIES — MEDICAID REIMBURSEMENT METHODOLOGY PROPOSAL.

1. By April 1, 2026, the department of health and human services shall develop a reimbursement methodology proposal for reimbursement of nursing facilities under the Medicaid program that includes all of the following:

a. A base-rate payment component.

b. A quality assurance assessment pass-through component.

c. A quality assurance add-on component, which includes a fixed fee payment and a quality-based payment.

2. The reimbursement methodology proposal shall include recommendations developed by the department of health and human services, in consultation with stakeholders including the Iowa health care association and leadingage Iowa, for specific metrics the department of health and human services will use to determine whether a nursing facility is eligible to receive all or a portion of the quality-based payment portion of the reimbursement to the nursing facility.

3. The total state expenditures for reimbursement of nursing facilities under the Medicaid program using the reimbursement methodology proposed in this section shall not exceed the amount appropriated for this purpose for the applicable fiscal year.

The Department solicited feedback from LeadingAge Iowa (LAI) and Iowa Healthcare Association (IHCA) along with other stakeholders. The Department recommends that the base-rate component (item 1.a. from the legislation) and quality assurance assessment pass-through component (item 1.b from the legislation) remain in the current format and calculation. The Department recommends the fixed fee payment remain the same as the current quality assurance assessment add-on. Below is the Department's proposal for the quality-based payment methodology described in item 1.c of the legislation.

Participation Requirements

To participate, a nursing facility must:

- Be dually certified in Medicare and Medicaid.
- Be in good standing with the Iowa Secretary of State and Iowa Insurance Division.
- Be current on all federal, state, and local taxes, licenses, and fees, which includes the Iowa Medicaid Quality Assurance Assessment Fee (QAAF).
- Not listed as a Special Focus Facility or Special Focus Facility Candidate by the Centers for Medicare and Medicaid (CMS).
- Have reportable CMS Care Compare Quality Measures.

Participation will be updated on an annual basis based on most recent information as of sixty (60) days preceding the rate effective date.

Proposed Program Quality Metrics

Core Quality Measures (Max of 530 Points)

Points will be based on tiered CMS Care Compare cut points for each chosen quality measure.

1. Care Compare Minimum Data Set (MDS) Dataset #479: Percentage of long-stay residents with pressure ulcers
 - a. Tier 0 – 0 points
 - b. Tier 1 – 20 Points
 - c. Tier 2 – 40 Points
 - d. Tier 3 – 60 Points
 - e. Tier 4 – 80 Points
 - f. Tier 5 – 100 Points
2. Care Compare Minimum Data Set (MDS) Dataset #406: Percentage of long-stay residents who have/had a catheter inserted and left in their bladder
 - a. Tier 0 – 0 points
 - b. Tier 1 – 20 Points
 - c. Tier 2 – 40 Points
 - d. Tier 3 – 60 Points
 - e. Tier 4 – 80 Points
 - f. Tier 5 – 100 Points

3. Care Compare Minimum Data Set (MDS) Dataset #410: Percentage of long-stay residents experiencing one or more falls with major injury
 - a. Tier 0 – 0 points
 - b. Tier 1 – 20 Points
 - c. Tier 2 – 40 Points
 - d. Tier 3 – 60 Points
 - e. Tier 4 – 80 Points
 - f. Tier 5 – 100 Points

4. Care Compare Minimum Data Set (MDS) Dataset #407: Percentage of long-stay residents with a urinary tract infection
 - a. Tier 0 – 0 points
 - b. Tier 1 – 20 Points
 - c. Tier 2 – 40 Points
 - d. Tier 3 – 60 Points
 - e. Tier 4 – 80 Points
 - f. Tier 5 – 100 Points

5. Care Compare Minimum Data Set (MDS) Dataset #419: Percentage of long-stay residents who received an antipsychotic medication
 - a. Tier 0 – 0 points
 - b. Tier 1 – 20 Points
 - c. Tier 2 – 40 Points
 - d. Tier 3 – 60 Points
 - e. Tier 4 – 80 Points
 - f. Tier 5 – 100 Points

6. CMS Staffing Five-Star Rating
 - a. 1 Star Facility = 0 Points
 - b. 2 Star Facility = 0 Points
 - c. 3 Star Facility = 10 Points
 - d. 4 Star Facility = 20 Points
 - e. 5 Star Facility = 30 Points

Additional Program Considerations (Max of 70 Points)

7. Disproportionate Medicaid Volume
 - a. 65.0%-74.99% – 10 Points
 - b. 75.0% or Greater – 20 Points

- 8. Number of Department of Inspection and Appeals Substantiated Complaints
 - a. 5-9 Substantiated Complaints – 10 Points
 - b. 0-4 Substantiated Complaints – 20 Points

- 9. Quality Assurance and Performance Improvement (QAPI)/Quality Assessment and Assurance (QAA) F-tags 865, 867, 868 Issued
 - a. Any F-tag with Scope Severity Level Less Than ‘F’ – 20 Points
 - b. Zero F-tags Issued – 30 Points

Overall Quality Payment Program Total Points – 600 Points

See Appendix A for the proposed tier cut points for each quality metric. The department will adjust the tiers to align with any future changes that CMS makes to the “*Design for Care Compare Nursing Home Five-Star Quality Rating System: Technical Users’ Guide*”.

Payment Methodology

Points will be determined on a tiered scoring allocation system, as set by the Department, based on metrics from CMS Care Compare and Medicaid schedules and may be adjusted periodically. Each metric will be weighed equally in the collection of total points and distributed by the facility’s percentage of weighted Medicaid days. The quality add-on per diem will be updated on an annual basis based on most recent information as of the day preceding the rate effective date.

Example Provider Quality Add-on Per Diem Calculation

This example assumes the funding is \$8.0M and 600 total points.

<u>Proposed Quality Payment Per Diem Calculation</u>	
Total Quality Score	340
Medicaid Days	30,349
Quality Adjusted Medicaid Days (340 / 600 * 30,349 Medicaid Days)	17,198
Total Statewide Quality Adjusted Medicaid Days	2,887,477
Percent of Statewide Medicaid Days (17,198 / 2,887,477)	<u>0.60%</u>
Total Annual Quality Metric Pool	\$ 8,000,000
Annualized Medicaid Days	30,349
Total Per Diem (\$8,000,000 * 0.60% / 30,349 Annualized Medicaid Days)	\$ 1.57

Implementation Timeline

The proposed quality payment program would require approval from CMS through a Medicaid state plan amendment. Additionally, there is currently no funding allocated by the Iowa legislature for a quality-based payment. Recommend in the first year, the quality data be used to calculate what each nursing facilities quality add-on would be and then implement at 100% in the second year.

Stakeholder Feedback

The Department received the following stakeholder feedback on the proposed quality payment model and implementation.

- Suggestion to use the STRIVE Study instead of the CMS Staffing 5-Star Rating.
 - The Department suggests starting with the CMS Staffing 5-Star Rating for the first few years of the program and look to transition to the STRIVE Study.
- Disproportionate Medicaid Volume is not a quality metric.
 - The Department looks at this metric to ensure continued access for Medicaid members to nursing facility services by rewarding a small number of points.
- Suggestion to look at the measures from the previous Pay-for-Performance workgroup that met in 2008.
 - The Department appreciates this feedback and will look at those measures for future updates to the quality payment program. The current structure is based on measures that are publicly available and do not require additional outreach to providers for information.
- Discussion about the use of the Quality Assurance and Performance Improvement (QAPI)/Quality Assessment and Assurance (QAA) F-tags 865, 867, 868.
 - The Department evaluated the number of providers receiving the F-tags and moved the F-tags from being a participation Requirement, to measures under Additional Program Considerations.

Appendix A – Proposed Quality Payment Program Measure Tiers

QM Score 1 **QM# 479**

Percentage of long-stay residents with pressure ulcers

Quality Direction: **Lower** Max Points: **100.00**

Tier	% of Max		
	Points	Cut Score	Points
5	100%	2.88%	100.00
4	80%	4.45%	80.00
3	60%	5.97%	60.00
2	40%	7.97%	40.00
1	20%		20.00
0	0%		0.00

QM Score 2 **QM# 406**

Percentage of long-stay residents who have/had a catheter inserted and left in their bladder

Quality Direction: **Lower** Max Points: **100.00**

Tier	% of Max		
	Points	Cut Score	Points
5	100%	0.50%	100.00
4	80%	1.26%	80.00
3	60%	2.17%	60.00
2	40%	3.56%	40.00
1	20%		20.00
0	0%		0.00

QM Score 3 **QM# 410**

Percentage of long-stay residents experiencing one or more falls with major injury

Quality Direction: **Lower** Max Points: **100.00**

Tier	% of Max		
	Points	Cut Score	Points
5	100%	1.34%	100.00
4	80%	2.46%	80.00
3	60%	3.56%	60.00
2	40%	5.14%	40.00
1	20%		20.00
0	0%		0.00

QM Score 4 **QM# 407**

Percentage of long-stay residents with a urinary tract infection

Quality Direction: **Lower** Max Points: **100.00**

Tier	% of Max		
	Points	Cut Score	Points
5	100%	0.70%	100.00
4	80%	1.60%	80.00
3	60%	2.72%	60.00
2	40%	4.52%	40.00
1	20%		20.00
0	0%		0.00

QM Score 5 **QM# 419**

Percentage of long-stay residents who received an antipsychotic medication

Quality Direction: **Lower** Max Points: **100.00**

Tier	% of Max		
	Points	Cut Score	Points
5	100%	7.95%	100.00
4	80%	12.64%	80.00
3	60%	17.26%	60.00
2	40%	23.95%	40.00
1	20%		20.00
0	0%		0.00

QM Score 6 **QM# CMS 5-Star Rating**

CMS 5-Star Staffing Rating

Quality Direction: **Higher** Max Points: **30.00**

Tier	% of Max		
	Points	Cut Score	Points
5	100%	5	30.00
4	67%	4	20.00
3	33%	3	10.00
2	0%	2	0.00
1	0%	1	0.00
0	0%		0.00

QM Score 7 **QM# Medicaid Utilization**

Medicaid Utilization

Quality Direction: **Higher** Max Points: **20.00**

Tier	% of Max		
	Points	Cut Score	Points
2	100%	75.00%	20.00
1	50%	65.00%	10.00
0	0%		0.00

QM Score 8 **QM# Number of DIAL Complaints**

Number of Department of Inspection and Appeals Substantiated Complaints

Quality Direction: **Lower** Max Points: **20.00**

Tier	% of Max		
	Points	Cut Score	Points
2	100%	4	20.00
1	50%	9	10.00
0	0%		0.00

QM Score 9 **QM# Number of DIAL Complaints**

Quality Assurance and Performance Improvement (QAPI)/Quality Assessment and Assurance (QAA) F-tags 865, 867, 868 Issued

Quality Direction: **Lower** Max Points: **30.00**

Tier	% of Max		
	Points	Cut Score	Points
2	100%	Zero F-tags	30.00
1	67%	Any F-tag with Scope Severity Level Less Than 'F'	20.00
0	0%		0.00