**Section 147.345 Quality Incentives**

Effective January 1, 2015, the Department shall allocate an amount for quality incentive payments. To establish baselines for these measures, the information shall be submitted beginning January 1, 2014. These measures may be included as part of the on-site reimbursement review. To receive the quality incentive payments for these measures, a facility shall meet the following criteria.

a) The Department shall allocate an amount for staff retention. To receive the quality incentive payment for this measure, the facility's staff retention rate shall meet or exceed the threshold established and published by the Department based upon statewide averages and must be at least 80 percent.

1) Retention relates to the extent to which an employer retains its employees and shall be measured as the proportion of employees with a specified length of service expressed as a percentage of overall workforce numbers.

2) The staff retentions shall reflect the percentage of individuals employed by the facility on the last day of the previous calculation period who are still employed by the facility on the last day of the following calculation period.

3) Staff retention shall be calculated on a semiannual basis.

A) The June 30 calculation will be based on the percentage of full-time (defined as 30 or more hours per week) direct care staff employed by the nursing facility on January 1and still employed by the nursing facility on June 30. The deadline for reporting this information shall be July 31. Direct care staff is defined as Certified Nursing Assistants (CNAs).

B) The December 31 calculation shall be based on the percentage of full-time direct care staff employed by the nursing facility on July 1 and still employed by the nursing facility on December 31. The deadline for reporting this information shall be January 31.

4) The staff retention rate is calculated using full-time direct care staff employed in a facility.

5) Documentation in the employee's record shall support the retention rate submitted.

6) Facilities shall submit the required information to the Department in a format designated by the Department.

b) The Department shall allocate an amount for consistent assignments. To receive the quality incentive payment for this measure, the facility shall meet the threshold established and published by the Department based upon statewide averages.

1) Consistent assignments shall be calculated on a semiannual basis. The deadline for reporting this information shall be July 31 and January 31, respectively.

2) The facility shall have a written policy that requires consistent assignment of CNAs and it shall specify a goal of limiting the number of CNAs that provide care to a resident to no more than 8 CNAs per resident during a 30-day period.

3) Documentation shall support that no less than 85 percent of Long Term Care residents received their care from no more than 8 different CNAs during a 30-day period.

4) There shall be evidence the policy has been communicated, and understood, to the staff, residents and family of residents.

5) Facilities shall submit the required information to the Department in a format designated by the Department.

c) The Department shall establish a center for Psychiatric Rehabilitation in Long Term Services and Support to organize and coordinate the provision of training on serious mental illness, psychiatric rehabilitation services and evidence-based informed practices.

d) Optional Certified Nursing Assistant Tenure and Promotion Payments.

1) CNA Tenure Payments will be based on each CNA's years of experience.

A) These payments will be paid to nursing facilities equal to Medicaid's share of the following tenure wage increments:

i) An additional $1.50 per hour for CNAs with at least one and less than two years of experience; and

ii) An additional $1 per hour for each additional year of experience up to a maximum of $6.50 per hour for CNAs with at least 6 years of experience.

B) Payments will be calculated based on all reported CNA employee hours compensated in accordance with an operative pay scale reflecting tenured increments at least as large as those specified in subsections (d)(1)(A)(i) and (ii), imparting a promise consistent with the definition of an "agreement" found in 56 Ill. Adm. Code 300.450 and posted in a manner consistent with Federal workplace posters (available at dol.gov/general/topics/posters). This pay scale should result in increased compensation, not reductions in compensation, for CNAs. Postings should convey the pay scale so that employees are reasonably able to apply it to their own circumstances and wage rate.

C) Medicaid's share for each nursing facility shall be the ratio of Medicaid base days divided by total bed days for the same period. For each new quarter beginning July 1, 2022, a facility's Medicaid share shall be paid Medicaid resident days per annum as determined by adding the number of Medicaid, Medicaid MLTSS and MMAI days (inclusive of hospice and provisional days, if applicable) divided by the number of total occupied days (also inclusive of hospice and provisional days, if applicable) found in the most recent 12 months of Long Term Care Provider Assessment Reports for the facility that are available to the Department.

D) Payments will be made to facilities on a per diem basis based on the number of qualifying CNA hours at each level of experience as published on the Federal COMPARE website or submitted directly to the Department of Public Health, as matched to CNA experience levels determined using information submitted by nursing facilities to the Department and through quarterly PBJs where consistent with employment histories reflected in the Department of Public Health's Health Care Worker Registry. Lump sum payments will consist of the sum per diem of the product of the minimum qualifying tenure wage increment at each level of experience and both the number of qualifying CNA hours at each level of experience and the ratio of Medicaid base days to total bed days for the year ending 9 months prior divided by the number of Medicaid base days. Payments for managed care qualifying days will be paid through the MCOs. Nursing facilities are not responsible for the accuracy of qualifying years of experience with another employer if inaccurately reported by an employee beyond what could reasonably be known to the employer.

2) Optional CNA Promotion Payments will be paid to nursing facilities equal to Medicaid's share of $1.50 per hour for each qualifying promotion-based wage increment, as follows:

A) To qualify for this payment, the promotion-based wage increment must be at least $1.50 per hour and the Department will only reimburse the Medicaid portion of $1.50 per hour.

B) Qualifying promotions are for CNAs that are assigned intermediate, specialized or added roles which may include but not be limited to: CNA IIs (with Advance Nurse Aide Training), CNA trainers, CNA scheduling captains, CNA dementia or memory care specialist, CNA geriatric specialist, CNA infection control specialist, CNA activities specialist, and CNA CPR educators.

C) Subject to a ceiling of 15% of employed CNAs, as measured on a full-time equivalent basis, payments will be calculated based on all reported CNA employee hours compensated in accordance with a legally posted and operative wage schedule consisting of the promotional wage increase specified in subparagraph A and identifying qualifying promotions consistent with subparagraph B.

D) Medicaid's share for each nursing facility shall be the ratio of Medicaid paid days divided by total bed days for the same period. For each new quarter beginning July 1, 2022, a facility's Medicaid share shall be paid Medicaid resident days per annum as determined by adding the number of Medicaid, Medicaid MLTSS and MMAI days (inclusive of hospice and provisional days, if applicable) divided by the number of total occupied days found in the most recent 12 months of Long Term Care Provider Assessment Reports for the facility that are available to the Department.

E) Payments will be made to facilities based on the number of qualifying CNA hours published on the Federal COMPARE website or submitted directly to the Department of Public Health, as matched to professional roles for each CNA reported to the Department by each facility. Subject to the limit identified in subparagraph C, lump sum payments will consist of the number of qualifying CNA hours multiplied by both the minimum promotion-based wage increment identified in subparagraph A and the ratio of Medicaid base days to total bed days for the year ending 9 months prior divided by the number of Medicaid base days. Payments for managed care qualifying days will be paid through the MCOs.

e) Incentive Payments will be paid to nursing facilities determined by facility performance on the specified quality measures in subsection (e)(2). The quality payment methodology described in this Section must be used for at least July 1, 2022, through June 30, 2023. Beginning with the quarter starting July 1, 2023, the Department may add, remove, or change quality metrics and make associated changes to the quality payment methodology by rule. Facilities designated by the Centers for Medicare and Medicaid Services as a special focus facility, or a hospital-based nursing home do not qualify for quality payments. The Department shall publish on its website estimated payments and associated weights for each facility 45 days prior to the beginning of each quarter.

1) The Quality Incentive Pool will initially be no less than $70,000,000 annually or $17,500,000 per quarter.

2) Distribution of the Quality Incentive Pool will be based on a quality weight score for each nursing facility, which is calculated quarterly by multiplying the nursing facility's paid Medicaid days by the nursing facility's star rating weight for the most recent available quarter. Medicaid paid days will be calculated quarterly based upon a rolling 12-month period of historical data from MMIS ending 9 months prior to the payment effective date (inclusive of hospice and provisional days, if applicable and annualized where necessary and appropriate).

3) Star rating weights are assigned based on the nursing facility's star rating for the long stay quality rating as assigned by the Centers for Medicare and Medicaid Services under the Five-Star Quality Rating System for the most recent available quarter. Weights will be assigned as follows:

A) Zero or one star rating has a weight of 0.

B) Two star rating has a weight of 0.75.

C) Three star rating has a weight of 1.5.

D) Four star rating has a weight of 2.5.

E) Five star rating has a weight of 3.5.

4) Each nursing facility's quality weight score is divided by the sum of all quality weight scores to determine the proportion of the Quality Incentive Pool to be paid to each nursing facility. Until additional quality measures are adopted by the Department as part of the quality incentive payments, the dollar value calculated for each star rating for the implementing quarter shall serve as the floor for each star's dollar value for each quarter thereafter.

5) The final fee-for-service payment amounts will be calculated by applying the percentage of days eligible for quality payments that were reimbursed fee-for-service to total qualifying days eligible for quality payments. Quality payments for managed care qualifying days will be reimbursed through directed payments through the MCOs.

6) In periods of time when the Centers for Medicare and Medicaid Services freezes the star ratings system, a facility's add-on shall remain at the level it was prior to the freeze taking effect. When necessary, the absence of available data or data limitations will be addressed through Department policy.

7) The Department shall require the MCOs to make directed payments using electronic funds transfers (EFT), if the nursing facility provides the information necessary to process such EFTs, in accordance with directions provided monthly by the Department, within 7 business days of the date the funds are paid to the MCOs, as indicated by the "Paid Date" on the website of the Office of the Comptroller if the funds are paid by EFT and the MCOs have received directed payment instructions.

A) If funds are not paid through the Comptroller by EFT to the MCO, payment must be made within 7 business days of the date actually received by the MCO.

B) If an MCO is late in paying a directed payment as required under the Public Aid Code (including any extensions granted by the Department), it shall pay a penalty, unless waived by the Department for reasonable cause, to the Department equal to 5% of the amount of the directed payment not paid on or before the due date plus 5% of the portion thereof remaining unpaid on the last day of each 30-day period thereafter.

C) Payments to MCOs that would be paid consistent with actuarial certification and enrollment in the absence of the increased capitation payments under this Section shall not be reduced as a consequence of payments made under this subsection.

8) The Department shall publish and maintain on its website for a period of no less than 8 calendar quarters, the quarterly calculation of directed payments to each facility from each MCO. All calculations and reports shall be posted no later than the first day of the quarter for which the payments are to be issued.

f) Payment determinations in this Section may be appealed under the terms under Section 140.830(b) and Section 140.830(c)

(Source: Amended at 46 Ill. Reg. 19682, effective November 28, 2022)