

Illinois Department of HealthCare and Family Services Quality Incentive Payment Program Calculation Example

Formula for a Quarter's Quality Incentive Payment to Nursing Facility i

$$\text{\$Quality}_i = \text{SW}_i * \text{M}_i / \text{QWD}_{\text{Total}} * \$17,500,000$$

or

$$\text{\$Quality}_i = \text{QWD}_i / \text{QWD}_{\text{Total}} * \$17,500,000$$

Where...

- $\text{QWD}_i = \text{SW}_i * \text{M}_i$ = the payment quarter's quality weight total for facility i (or quality-weighted days)
- SW_i = the statutory weight applied to each STAR rating for facility i (see table below for values)
- M_i = one-fourth of the #Medicaid paid days for year ending 9 months prior for nursing facility i
- $\text{QWD}_{\text{Total}}$ = the payment quarter's quality weight average across STAR values for the state as a whole, calculated as follows:

STAR rating	Statutory weight applied to each rating (SW_{STAR})	*	One-fourth of #Medicaid Paid Days for year ending 9 months prior, Statewide	=	Sum of all quality weight scores statewide (for one quarter)
0-1	0	*	$\text{M}_{\text{STAR}=0-1}$	=	0
2	0.75	*	$\text{M}_{\text{STAR}=2}$	=	$\text{QWD}_{\text{STAR}=2}$
3	1.5	*	$\text{M}_{\text{STAR}=3}$	=	$\text{QWD}_{\text{STAR}=3}$
4	2.5	*	$\text{M}_{\text{STAR}=4}$	=	$\text{QWD}_{\text{STAR}=4}$
5	3.5	*	$\text{M}_{\text{STAR}=5}$	=	$\text{QWD}_{\text{STAR}=5}$
Sum total = Payment quarter's quality weight total for the state =					$\text{QWD}_{\text{Total}}$

The per diem dollar value calculated for each STAR rating for the implementing quarter serves as an initial floor:

STAR rating	Statutory weight applied to each rating (SW_{STAR})	*	Dollars per quality-weighted day in implementing quarter	=	Dollar value per Medicaid day in implementing quarter	=	Dollar floor $\text{\$Floor}_{\text{STAR}=j}$
0-1	0	*	$\text{\$QWD}_{3\text{Q}2022}$	=	$\text{\$}$	=	0
2	0.75	*	$\text{\$QWD}_{3\text{Q}2022}$	=	$\text{\$}$	1.793	= $\text{\$Floor}_{\text{STAR}=2}$
3	1.5	*	$\text{\$QWD}_{3\text{Q}2022}$	=	$\text{\$}$	3.587	= $\text{\$Floor}_{\text{STAR}=3}$
4	2.5	*	$\text{\$QWD}_{3\text{Q}2022}$	=	$\text{\$}$	5.977	= $\text{\$Floor}_{\text{STAR}=4}$
5	3.5	*	$\text{\$QWD}_{3\text{Q}2022}$	=	$\text{\$}$	8.368	= $\text{\$Floor}_{\text{STAR}=5}$

Where...

$$\text{\$QWD}_{3\text{Q}2022} = \text{Dollars per quality-weighted day in implementing quarter} = \$17,500,000 / \text{QWD}_{\text{Total},3\text{Q}2022} = \$2.391$$