

Illinois Department of Healthcare and Family Services
Rate Methodology
Frequently Asked Questions
Updated September 30, 2022

*Note: **BLUE** highlighting denotes updates to the FAQ

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CNA Incentive Payment Template Questions

- Q1: Does the certification statement need to be signed and submitted for the CNA Incentive Payment to obtain reimbursement for a qualifying pay-scale?
- A: Yes, the certification statement that is included with the CNA Incentive Payment template must be initialed and signed for HFS to be able to make experience and promotion incentive payments. **The certification statement and completed CNA Incentive Payment template must be received prior to HFS defined deadlines to be eligible for the incentive payments.**
- Q2: Our organization only has information related to our CNA staff for the time they have been our employee. Are we required to determine their length of experience outside our organization?
- A: Yes, facilities are required to provide full CNA work histories to the best of their knowledge. The years/months of experience for each CNA should reflect their full work history while working in a CNA role and performing CNA duties. This includes time worked at other nursing facilities or other healthcare providers whether in the state of Illinois or outside of it. A State does not need to have reciprocity for CNAs with Illinois to be included in the count of experience.
- Q3: Are we able to rely on a conversation with the CNA to determine their full work experience? What happens if that turns out to be incorrect?
- A: The certification statements simply ask that the completion of the CNA Incentive Payment template be completed to the best knowledge and belief of the signatory. For CNAs with experience outside the span of control of the organization, a conversation with the CNA to determine full work experience is appropriate. The CNA Incentive Payment is determined for a snapshot period of time. The Department will publish additional guidance for modifications and correction for future periods. As reflected in each facility's template, **and as published under Emergency Rules in Title 89 Part 147.345(d)(1)(E)**, the Department has also collected

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information from the state's health care workforce registry and may examine this information for consistency with completed templates.

Q4: When must I complete and submit the CNA incentive payment template by to receive payment?

A: HFS specifies due dates through provider notices with each template submission. As the process matures standardized release and due dates will be communicated.

Q5: The employee ID numbers on the CNA Incentive Payment Template do not match my organizations employee ID numbers that we transmit on our PBJ records to CMS. Where did these numbers come from, and how can I reconcile to our internal employee ID numbers?

A: The Department is currently utilizing information from the "Payroll-Based Journal Employee Detail Data 2021 Q4" public use file published by CMS for the hours and employee ID numbers included in the CNA Incentive Payment template. The Department is aware that the employee ID numbers are a CMS system generated employee ID number and not the internal employee ID numbers in each provider's system. To reconcile these two IDs numbers, organization can utilize their CASPER reporting systems to help generate a crosswalk of these two employee IDs. To generate this crosswalk, each provider should run the "1700D Employee Report" for the applicable data period (ex: **January 1, 2022 – March 31, 2022** for the **October 1, 2022** rate period). Please ensure the "Filter By Employee ID" box is checked prior to running the report. This will ensure the organizations employee IDs will appear on the report, and allow for the reconciliation of the two employee ID identifiers. This report can be exported to Microsoft Excel for convenience of the user.

Q6: Where do the employees on the "Employee Listing" worksheet of the CNA Incentive Payment Template come from?

A: The employee names are derived from the IDPH Healthcare Worker Registry. For the July 1, 2022 rate period, this includes any individuals with an open termination date field and an employment verification date in calendar year 2021, or an employee with a termination date after October 1, 2021. **Subsequent template periods will follow similar record timing logic.**

Q7: What do I do if an employee with hours on the "CNA Incentive" worksheet is not included in the "Employee Listing" worksheet?

A: If a needed employee is not available on the "Employee Listing" worksheet, the provider should simply enter their corresponding information to the bottom of the listing. Please ensure the name and other information exactly reflects information in the IDPH Healthcare Worker Registry when possible. The Department is aware that the information may not be fully complete.

Q8: What happens if there are employees on the "Employee Listing" worksheet that do not have hours on the "CNA Incentive" worksheet. Should they be deleted?

A: Employees on the "Employee Listing" worksheet without any hours on the "CNA Incentive" worksheet can simply be left blank, and should not be deleted. If any listed individuals are no

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longer employed by the provider at that location, please consider updating the IDPH Healthcare Worker Registry accordingly.

- Q9: Should the “Employee Listing” worksheet, be updated to include all current CNA employees, or just those for the applicable data/reporting period?
- A: Only CNA employees with hours on the “CNA Incentive” worksheet are required to be included and reconciled on the “Employee Listing” worksheet. CNA employees are defined as Payroll Based Journal job code 10 with an employee type of exempt or non-exempt.
- Q10: What does our organization do if we have CNA promotion positions that are different than the CNA promotion positions included on the CNA Incentive Payment Template?
- A: The organization should select the “Other” option in the “CNA Promotion Status” column and enter the title of that position in the “CNA Promotion Status Description” column. Any additional information can be entered into the “Comments” column at the discretion of the organization.

CNA Incentive Payment Program General Questions

- Q1: Are the CNA experience and promotion payment programs mandatory?
- A: No, these are optional programs that providers may participate in.
- Q2: How do I become eligible to receive the CNA experience and promotion incentive payments?
- A: To be eligible for the CNA experience and promotion incentive payment programs, provider must be the following:
1. Providers must publish and display the CNA Experience and Promotion pay scales at the site of work, in a prominent and accessible place where it can easily be seen by workers and in a manner and location similar to that of Federal workplace posters
 2. Provider CNA Experience and Promotion pay scales must meet or exceed those specified by the Illinois Department of Healthcare and Family Services (HFS) for the CNA Incentive Payment period.
 - a. For the July 1, 2022, payment period the CNA experience pay scale must meet or exceed the values in the following table:

Additional Hourly Wage Increase Requirements	CNA Years of Experience
\$1.50	1 year
\$2.50	2 years
\$3.50	3 years

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\$4.50	4 years
\$5.50	5 years
\$6.50	6 or more years

- b. From the July 1, 2022, payment period the CNA promotion pay scale must meet or exceed \$1.50 per hour
3. For each CNA Incentive Payment period, directly employed CNAs must be reimbursed additional hourly wage rates in accordance with posted CNA Experience and Promotion pay scales
- Q3: Can I be a part of the CNA experience incentive payment program if my organization currently does not have CNA “promotion” positions at the current time? Additionally, could I participate solely in the CNA promotion incentive program and not the CNA experience incentive payment program if we so chose?
- A: Yes, the CNA experience (tenure) incentive payment is exclusive from the CNA promotion incentive payment. The Department is not requiring organizations to establish promotable positions for CNAs. If no CNA promotion positions currently exist, the organization is simply not eligible for that payment stream, but does remain eligible for the CNA experience incentive payment. The Department’s CNA promotion program is designed to incentivize the creation of CNA career paths within organizations, with the hopes that these types of roles and position will begin to be offered in the future.
- Conversely, an organization may also participate solely in the CNA promotion program, but not the CNA experience incentive program.
- Q4: Is the Department requiring a standard statewide CNA base wage? Or will the additional hourly wage increases be determined against each provider’s individual pay scale?
- A: **The base CNA wage for inexperienced (and therefore new) CNAs is required for inclusion on the provider’s published pay scale, but the** Department is not mandating nor specifying a CNA base wage for participation in the CNA incentive payment programs. Additional hourly wage increases will be compared against the individual provider’s own base wage. The base wage should correspond to the hourly amount actually paid to new CNA hires without experience, **since the posted pay scale is to be “operative.” CNA employees, including those with less than 1 year of experience, must be reasonably able to apply the posted pay scale to their own circumstances and wage rate.**
- Q5: Do shift or weekend wage differentials or overtime payment rates need to be part of the published wage scales? Do they effect what is considered the base CNA wage from which the additional hourly wage increases are calculated?

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- A: Shift, weekend, and overtime wage differentials do not need to be part of the published provider pay scale, **but if they are they should be shown separately as additions to the minimum required experience and promotions pay scale**. To that same end, provider shift and weekend wage differentials must not be considered when determining if the CNA additional hourly wage payments required as part of this program have been satisfied. The CNA experience and promotional pay scale wage increments are to be added to, and not contingent upon, other criteria nor other forms of compensation.
- Q6: Can organizational CNA experience and promotion pay scales differ from those required by the Department?
- A: To be eligible for the CNA experience and promotion incentive payment programs, individual organizations must have a posted pay scale **providing increases that are** AT LEAST equivalent to the **minimum** pay scale requirements denoted by the Department. As such, organizational pay scales may be greater than or equal to the Department's pay scale requirement, but not less.
- Q7: For each CNA promotion is my organization required to give the CNA an additional \$1.50 per hour? Or is there a requirement for just one \$1.50 raise regardless of the number of promotions received?
- A: At the current time there is no CNA promotion hierarchy established. As such, regardless of the number of position or title changes the CNA receives the requirement is satisfied by a single wage increase of \$1.50. This however, does not prevent the organization from paying the CNA additional increases in their hourly wage, but the Department will only reimburse for the single promotional increase.
- Q8: If my organization currently has an experience or merit pay scale in place, is the Department requiring that the hourly wage increments be paid in addition to my historic pay scale and wages?
- A: No, hourly wage increments will be compared only against the provider's base wage(s) in the posted pay scale and need not be additive when compared to historic experience and merit raises that organizations have already provided to their CNAs. For Example:
1. A CNA with 1 year of experience has previously received a \$0.25 raise over the organization's base pay rate prior to enrollment in the CNA incentive payment program. The organization would need to add an additional \$1.25 raise to the CNAs hourly pay in order to satisfy the requirements of the program
 2. A CNA with 15 years of experience is paid \$22 per hour while the organization's current base CNA hourly wage is \$15 prior to enrollment in the CNA incentive payment program. The organization would not have to adjust this CNA's wage as they exceed the \$6.50 additional hourly wage maximum.

Note: the legislation establishing the pay scale subsidy clearly states that qualifying pay scales should lead to increases in worker compensation. Our understanding is that where pay scales

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exist across the state, they are much less generous than the minimum scale included in the legislation (and described here) and, as a result, that an organization's compliance with the new minimum pay scale (rather than adding the new minimum to an existing scale as described in this question) will result in substantial increases in worker compensation.

Q9: Will the Department reimburse me for my total costs of implementing the CNA experience and promotion incentive payment programs?

A: The Department will base its payments to facilities on the Medicaid portion of minimum qualifying wage increments. The Department will calculate the CNA incentive payment as follows:

1. CNA Experience Incentive Payment

$\text{Aggregate CNA hours by years of experience} \times \text{Minimum Qualifying Hourly Wage Increment} \times \text{Medicaid Utilization \%} = \text{CNA Experience Quarterly Payment}$

2. CNA Promotion Incentive Payment

$(\text{LESSER of Aggregate CNA Hours for Promoted Status CNAs OR 15\% of total CNA Hours from PBJ records}) \times \text{Minimum Qualifying CNA Promotion Wage Increment (Currently \$1.50)} \times \text{Medicaid Utilization \%} = \text{CNA Promotion Incentive Quarterly Payment}$

Both the CNA experience and promotion incentive payments will be paid monthly. Monthly amounts will be derived by the quarterly CNA incentive payment divided by three. For the initial CNA incentive reporting period (July 1, 2022 – September 30, 2022) organizations were allowed to enter the program in July or August. As such, the first Quarterly Payment calculation will be prorated by the number of months in which the organization was actively participating.

It should be noted that the Department will only pay based on the minimum qualifying additional hourly wage increases. If organizations pay hourly wage increments greater than the published Department's requirements, they will only receive incentive payments calculated based on the Department's values.

For the July 1, 2022 rate period, the Medicaid Utilization Percentage to apply to the CNA incentive payments will be determined based on Medicaid days from the Department's MMIS system for 12 months ended 9 months prior to the rate effective date DIVIDED BY Total Occupied Bed Days from Provider Tax Records for 12 months ended 9 months prior to the rate effective date.

Q10: Are hours for Temporary Nurse Aides or Nurse Aide in Training included in the CNA experience and promotion incentive payment programs?

A: No, only fully certified CNA that are employed by the facility are included in the calculation of the CNA experience and promotion incentive payment programs.

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- Q11: Does time spent as a Temporary Nurse Aide or a Nurse Aide in Training count towards the years/months of CNA experience that are to be reported on the CNA Incentive Payment Template?
- A: No. CNA Experience should be counted starting with the CNA's individual certification date. Months/Years of experience should be counted where the CNA has worked performing CNA duties for at least 1 hour during the month.
- Q12: Do I count month/years of CNA experience differently if the employee is full-time versus part-time?
- A: This is allowed. **The Department is providing an option for facilities to pro-rate years of experience accumulated in that facility for a qualifying pay-scale for part-time CNAs.**
- Facilities opting into the pay-scale subsidy for experience may elect to pro-rate annual experience--based increases for part-time CNA employees as follows:
 - Prorated pay-scale increments would be equal to the posted increment for the relevant year times the ratio of the number of hours the part-time CNA employee worked that year divided by the number of hours that would have qualified the employee for full time status (up to a maximum ratio of 1).
 - Pro-rating could only be applied to years of work during their current term of employment.
 - Pro-rating, if elected, is to be applied to each calendar year independently on an annual cycle coincident with an employee's work anniversary. The resulting experience wage increments – pro-rated or not -- would accumulate additively over an employee's tenure with a facility.
 - All CNAs with at least one pro-rated year of experience must receive at least the full wage increment corresponding to six years of experience under their employer's pay- scale by the time they reach their 8th work anniversary with that employer, regardless of part-time or full-time status during those 8 years.
 - Facilities would count prior CNA work experience in the same way as for full-time employees, and as currently described in the template's instructions: giving credit for experience in any month in which the CNA worked at least an hour.
 - Beginning with the templates submitted in advance of the October-December 2022 quarter, the Department will revise the template to include facility designation of its election to pro- rate part-time workers' experience, to identify workers considered (and paid) as part-time and, if necessary, to account separately for work experience accumulated after 12/31/2020.
 - Based on the method for counting prior employment experience, the pay-scale subsidies for the July-September 2022 quarter would not be different for facilities, and therefore there is no need for facilities to distinguish part-time from full-time employees to calculate initial payments beginning with July 1 or August 1 implementation.
 - Facilities opting to pro-rate each year of experience for part-time CNA employees must post that election for their employees, beginning with the quarter starting

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October 1, 2022.

- As a reminder, the pay-scale only applies to employees.

Q13: Is the CNA incentive payment program a one-time payment? Or is this a permanent program?

A: The CNA experience and promotion incentive payment programs are permanent programs. They are optional for providers to enroll and participate in.

Q14: Do I have to post each individual's CNA wage to qualify?

A: No, individual CNA wages do not need to be publicly posted. Organizations must simply publish and display the CNA Experience and Promotion pay scales at the site of work, in a prominent and accessible place where it can easily be seen by workers and in a manner and location similar to that of Federal workplace posters, and in such a way that CNAs could reasonably apply the posted scale to their own wages and circumstance.

Q15: Can you please clarify what the add-ons are for CNA tenure, promotion, and training?

A: There are two monthly lump sum payments related to CNA incentive payments program. These two payments relate to CNA years of experience, and CNA promotion status.

Q16: How often are subsidies for a CNA pay scale calculated?

A: Quarterly.

Q17: Will the money be a separate payment or come through our Medicaid rate?

A: The CNA experience and promotion subsidy payments will be made as a monthly lump sum directed payment and will be separate from the Medicaid Rate. Each MCE and the Medicaid Fee-For-Service system will pay their proportion of the monthly total due a facility based on each payer's percentage of total Medicaid days for the facility. HFS (on behalf of the fee for service system) and each MCO will make monthly lump sum payments in these amounts.

Q18: What hours are being used to calculate subsidies for a CNA pay scale?

A: CNA work hours are reported by facilities in Payroll-Based Journal (PBJ) submissions to (federal) CMS, who then publishes them once a quarter. HFS downloads those published PBJ records and uses that CNA work hour information to prepopulate templates shared back to each participating facility for eventual use in HFS' calculation of the monthly lump sum CNA experience and promotion subsidy payments.

Q19: Will a formulated spreadsheet be sent so we can calculate how much we should be reimbursed and what it will cost us?

A: Yes. Each quarter (beginning July 2022) HFS generates templates featuring CNA hour information from the Payroll-Based Journal (PBJ) public use files. These templates are shared with each facility through the SharePoint portal. Facilities then update the information for

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each 'NA's years of experience and promotion status and returns the template to HFS through the SharePoint portal. HFS then uploads the information from these completed templates in order to calculate CNA pay scale subsidy amounts.

Q20: If our organization has employees that pick up shifts occasionally to do CNA duties, but have other primary duties outside of being a CNA, how are those hours and employees considered when determining the CNA experience and promotion incentive payments?

A: In general, those hours should be excluded. The CNA experience and promotion incentive payments are designed to adjust the wages of staff employed as CNAs (PBJ job code 10). In addition, federal reporting requirements indicate that CNA nursing hours reported on the PBJ should reflect nursing care itself. Taken together, these requirements capture the objectives of the subsidy, which are to increase the number of CNAs participating in the Illinois labor market and providing resident care in its nursing facilities. (see pp. 72-75 of HFS [Comprehensive Review of Nursing Home Payment With Recommendations for Reform](#)). While HFS understands that facilities have different terminology for positions and that staff may split duties or responsibilities, the statute limits the subsidy to CNAs.. The primary driving factor in determining if an individual's hours should be counted for the CNA incentive and promotion payment program is whether their wages are determined by the CNA pay scale posted in the facility. If a CNA's pay aligns with and will be adjusted in accordance with the posted CNA wage scale of the facility, then those persons CNA hours can be considered for the subsidy payment. Conversely, if staff are employed in some other role and paid according to another pay scale, then pick up a shift or devote time to resident care in a CNA's role, those hours do not count toward the pay scale subsidy regardless of whether the nursing home chooses to apply the CNA pay scale for that portion of their wage.

Individuals who have hours recorded in the following PBJ job codes during the PBJ reporting quarter would not be eligible for the CNA incentive and promotion payment program:

Job Title Code	Job Description
1	Administrator
2	Medical Director
3	Other Physician
4	Physician Assistant
5	Registered Nurse Director of Nursing
6	Registered Nurse with Administrative Duties
7	Registered Nurse
8	Licensed Practical/Vocational Nurse with Administrative Duties
9	Licensed Practical/Vocational Nurse
13	Nurse Practitioner

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14	Clinical Nurse Specialist
15	Pharmacist
16	Dietitian
18	Occupational Therapist
19	Occupational Therapy Assistant
21	Physical Therapist
22	Physical Therapy Assistant
24	Respiratory Therapist
25	Respiratory Therapy Technician
26	Speech/Language Pathologist
27	Therapeutic Recreation Specialist
30	Qualified Social Worker
31	Other Social Worker
32	Dentist (NOT REQUIRED/OPTIONAL)
33	Podiatrist (NOT REQUIRED/OPTIONAL)
36	Clinical Laboratory Service Worker (NOT REQUIRED/OPTIONAL)
37	Diagnostic X-ray Service Worker (NOT REQUIRED/OPTIONAL)
38	Blood Service Worker (NOT REQUIRED/OPTIONAL)
40	Other Service Worker (NOT REQUIRED/OPTIONAL)

Q21: Do shift differentials count as a promotion and, in general, which “other” job categories or functions would not qualify as a promotion for the CNA pay scale subsidy program?

A: The statute defines qualifying promotions “for an expected 10-15% subset of CNAs assigned intermediate, specialized, or added roles such as CNA trainers, CNA scheduling ‘captains’, and CNA specialists for resident conditions like dementia or memory care or behavioral health.” Job categories, functions or designations extending beyond this definition would not qualify. This definition rules out the classification of shift differential pay, weekend pay differentials, etc., as a “promotion,” and these pay differentials will not be counted towards a facility’s pay scale subsidy.

HFS understands that the terminology of job position titles may differ from facility to facility. The “other” category on the CNA incentive template is designed to capture the unique job titles that facilities may offer CNAs when they meet the statutory definition. To qualify for the subsidy, CNA job classifications a facility designates as a promotion must:

- reflect intermediate, specialized, or added roles;
- account for no more than a total of 15% of CNA hours in the facility (cumulatively, across all CNA promoted roles);
- be related to the application, supervision, coordination, or performance of CNA duties to be counted;

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- not be associated with another PBJ job code, as this conflicts with requirements that promotions be applied to CNAs; and
- result in a CNA earning more for this role, as reflected in the promotion pay scale posted in the facility.

Q22: When must I post a pay scale for employees in order to qualify for the Medicaid subsidy?

A: Subsidies are paid for time periods in which the pay scale is posted and paid by organizations. Pay scales must be posted for employees by the first of a quarter (or other HFS-approved time period) in which an organization has attested that a pay scale is in place, and is to remain continuously posted for the duration of such a quarter (or other time period). Postings represent a promise to pay employees. Conditions allowed against this promise have to date been limited to publicly-operated facilities in which a public board must approve a pay scale but has not yet done so, pay scale approval is on the agenda at the board's next scheduled meeting following initiation of the pay scale, the pay scale is posted for employees on or prior to its effective date, and the initial posting states that the pay scale will remain effective unless the facility's public board fails to approve it at the next scheduled meeting (whose date is also included on the posting). Publicly-operated facilities should coordinate with HFS in advance to affirm qualification for this exception.

Q23: What is the policy regarding CNAs who reach a new level of experience during the payment quarter? Are organizations required to give a raise as of that date, or are raises reviewed only on a quarterly basis?

A: The pay scale applies to the specific worker experience, and as such they earn the payment increase when they reach their anniversary, even if mid-quarter. The PBJ data utilized for the CNA incentive payment template is from prior quarters. The worker experience reported on the CNA incentive payment template should be as of the end of the applicable PBJ period.

Staffing Add-On Questions

Q1: Where do I find the STRIVE percentage you will be using?

A: The STRIVE percentage is calculated from the "Provider Information" public use file published by CMS and is available at <https://data.cms.gov>. Within the "Provider Information" file, the "Reported Total Nurse Staffing Hours per Resident Day" value is DIVIDED BY the "Case-Mix Total Nurse Staffing Hours per Resident Day" value to determine the STRIVE percentage for use in the per diem staffing incentive payment.

Q2: Is STRIVE rounded to 2 decimal points?

A: The per diem staffing incentive payment (STRIVE payment) has payment rates that are adjusted at each full percentage point beginning at 70% and ending at 125%. Facility STRIVE percentages (Reported Total Nurse Staffing Hours DIVIDED BY Case Mix Total Nurse Staffing Hours) are rounded to two decimal places. A facility's STRIVE % must meet or exceed the full percentage in order to be included in that payment tier.

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For example, a facility with a STRIVE % of 89.99% would be included in the 89% of STRIVE category for the per diem staffing incentive payment.

Q3: What quarter of PBJ is HFS using to calculate the STRIVE portion of the 1/1/23 rates? How often will this be updated?

A: Payroll-Based Journal (PBJ) data utilized by HFS to calculate the STRIVE % for use in the per diem staffing incentive payment is calculated from the PBJ quarter ending 6 months prior to the beginning of each Medicaid rate period. As such the PBJ quarter of 4/1/2022 – 6/30/2022 will be utilized for the Medicaid rate period beginning 1/1/2023.

Q4: Do administrative nursing hours count in Determining STRIVE Targets?

A: No, but nurses with an administrative title may be included in facility reports of nursing hours, when appropriate. Federal reporting rules for the PBJ will continue to apply. As detailed in the CMS 5 Star Technical User's Guide, only the following job titles may be included in the CMS calculation for determining Reported Total Nurse Staffing Hours per Resident Day, which is utilized for the % of STRIVE calculation:

1. RN Director Of Nursing (Job Code 5)
2. RNs with Administrative Duties (Job Code 6)
3. RNs (Job Code 7)
4. LPN with Administrative Duties (Job Code 8)
5. LPNs (Job Code 9)
6. Certified Nurse Aides (Job Code 10)
7. Aids in Training (Job Code 11)
8. Medication Aides/Technicians (Job Code 12)

Q5: Do nursing hours associated with on-site dialysis count in the STRIVE targets? Will nursing hours paid for by a third party be counted?

A: No, nursing hours provided by a third party are not counted in the Payroll-Based Journal hours reported by facilities, and therefore are not included in the % of STRIVE calculation.

Q6: Will therapy hours be counted towards compliance?

A: Therapy hours are not counted towards the calculation of Reported Total Nurse Staffing Hours per Resident Day, nor are they included in the Case-Mix Total Nursing Staffing Hours per Resident Day calculated by CMS (STRIVE Target). As such, therapy hours are not considered in the % of STRIVE calculation.

Q7: Can you please explain the origin and use of "84% of MMAI days," which was mentioned on the webinar.

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- A:** Full tabulation of Medicaid days currently requires estimation of days attributable to Medicaid (v. Medicare) for residents participating in the Medicare and Medicaid Alignment Initiative (MMAI). A review of historic enrollment and payment information indicated that approximately 84% of MMAI days are attributable to residents with Medicaid as primary payer. For purposes of determining Medicaid days and associated Medicaid utilization % HFS will use the GREATER of 84% of MMAI projected enrollment days OR the number of Medicaid MMAI days identified through encounter claims in HFS' administrative data. HFS has initiated enhanced data collection requirements from facilities to better capture Medicaid MMAI resident days in its administrative data, and expects to discontinue use of the 84% minimum in the future.

Quality Incentives

- Q1:** What is the formula to calculate the quality add?

- A:** This formula divides a \$17.5 million statewide pool each quarter in direct proportion to each nursing facility's quality-weighted share of Medicaid days. HFS publishes the calculation of the quality incentive lump sum payment to the following website:

<https://www2.illinois.gov/hfs/MedicalProviders/MedicaidReimbursement/Pages/LTC.aspx>

Additionally, a detailed step-by-step calculation is provided in the Nursing Home Rate Calculation Handbook available on the same website.

- Q2:** How often will reimbursement for star ratings be recalculated?

- A:** Quarterly. The quality incentive payment is a quarterly lump sum payment based on each facility's long stay quality measure star rating. The star rating of each facility is updated each quarter prior to each Medicaid rate period. The calculated star ratings are derived from the "Provider Information" public use file published by CMS that is available at <https://data.cms.gov>.

- Q3:** How are annual Medicaid days determined for use in calculating the quarterly QM incentive payment?

- A:** The quality measure incentive calculation will utilize Medicaid days per annum for the 12 month period ending 9 months prior to effective date of each rate quarter. This year of days will be divided by 4 to determine a quarter's worth of Medicaid days. This allows for the quarterly lump sum payment to have a per day value.

PDPM

- Q1:** Will the proposed changes by CMS to PDPM CMI affect how Illinois calculates PDPM for Medicaid CMI?

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- A:** As delineated in Illinois statute and emergency rule filings the PDPM case mix weights utilized for Medicaid reimbursement system purposes shall be the active PDPM weights as published by CMS as of March 1, 2022 . The changes to PDPM case mix weights related to the Medicare SNF Prospective Payment System federal fiscal year 2023 final rule will not affect the PDPM case mix weights utilized for Medicaid reimbursement purposes.
- Q2:** Will HFS be using the RUG from the OBRA MDS assessments and converting that score into the equivalent in the PDPM Nursing Case Mix Grouper or will they actually use the Nursing CMG that is populated in the OBRA assessment?
- A:** The PDPM nursing component case mix group classification will be determined using the Health Insurance Prospective Payment System (HIPPS) code that is calculated by CMS on each MDS assessment.
- Q3:** Will section G remain in place after GG is added?
- A:** Section G remains for now, but the inclusion of section G on the MDS item set is controlled by CMS. CMS released a State Medicaid Director's Letter (SMD# 22-005) confirming that section G will be removed from standard MDS assessment item sets beginning 10/1/2023. Both MDS section G and GG measure the functional status of a nursing facility resident. Section G is necessary for classification under a RUGs based system, while section GG is necessary for classification under a PDPM based system. CMS continues to rely on the RUGs classification (and therefore Section G) for calculation of expected staffing levels based on the STRIVE study, which Illinois has incorporated into its nursing home staffing add on.
- Q4:** What is the default rate for PA1 under PDPM?
- A:** For the Illinois Medicaid system, a PA1 has a case mix weight of 0.5186 ($0.66 * 0.7858$ CMI Budget Neutrality Factor). Illinois also maintains a default PDPM category for records that are delinquent or do not have enough information to generate a PDPM HIPPS code. The default PDPM category is AA1 which is set equivalent to the PA1 PDPM case mix weight of 0.5186.

Contact Information for Questions

- Q1:** Who do I contact if I have further questions about the CNA Incentive Payment Program template?
- A:** Please email ILNF@mslc.com for any further questions relating to the CNA Incentive Payment Program template.
- Q2:** Who do I contact if I have issues with accessing information from the SharePoint site:
- A:** Please contact the Department at HFS.LTC@Illinois.gov for questions relating to the SharePoint site.