IC 16-28-15
Chapter 15. Health Facility Quality Assessment Fee

IC 16-28-15-1
Initial date fee imposed
Sec. 1. The imposition of a quality assessment fee under this chapter occurs after June 30, 2011.
As added by P.L.229-2011, SEC.162.

IC 16-28-15-2
"Continuing care retirement community"
Sec. 2. As used in this chapter, "continuing care retirement community" means a health care facility that:
(1) provides independent living services and health facility services in a campus setting with common areas;
(2) either:
(A) holds continuing care agreements with at least twenty-five percent (25%) of its residents (as defined in
IC 23-2-4-1); or
(B) has continuously maintained, for a continuing care retirement community that was registered under IC 23-2-4
before January 2, 2007, at least one (1) continuing care agreement since on or before January 1, 2007, with an individual residing in the continuing care retirement community;
(3) uses the money from the agreement or agreements described in subdivision (2) to provide services to the resident before the resident may be eligible for Medicaid under IC 12-15; and
(4) meets the requirements of IC 23-2-4.
As added by P.L.229-2011, SEC.162. Amended by P.L.278-2013, SEC.15.

IC 16-28-15-3
"Health facility"
Sec. 3. As used in this chapter, "health facility" refers to a health facility that is licensed under this article as a comprehensive care facility.
As added by P.L.229-2011, SEC.162.

IC 16-28-15-4
"Nursing facility"
Sec. 4. As used in this chapter, "nursing facility" means a health facility that is certified for participation in the federal Medicaid program under Title XIX of the federal Social Security Act (42
U.S.C. 1396 et seq.).
As added by P.L.229-2011, SEC.162.

IC 16-28-15-5
"Office"
Sec. 5. As used in this chapter, "office" refers to the office of Medicaid policy and planning established by IC 12-8-6.5-1.
As added by P.L.229-2011, SEC.162. Amended by P.L.160-2012, SEC.46.

IC 16-28-15-6
Collection of fee
Sec. 6. (a) Effective July 1, 2011, the office shall collect a quality assessment fee from each health facility.
(b) The quality assessment fee must apply to all non-Medicare patient days of the health facility. The office shall determine the quality assessment rate per non-Medicare patient day in a manner that collects

the maximum amount permitted by federal law as of July 1, 2011, and October 1, 2011, based on the latest nursing facility financial reports and nursing facility quality assessment data collection forms as of July 28, 2010.
(c) The office shall offset the collection of the assessment fee for a health facility:
(1) against a Medicaid payment to the health facility;
(2) against a Medicaid payment to another health facility that is related to the health facility through common ownership or control; or
(3) in another manner determined by the office.
As added by P.L.229-2011, SEC.162.

IC 16-28-15-7
Implementation of waiver
Sec. 7. The office shall implement the waiver approved by the United States Centers for Medicare and Medicaid Services under 42 CFR 433.68(e)(2) that provides for the following:
(1) Nonuniform quality assessment fee rates.
(2) An exemption from collection of a quality assessment fee from the following:
(A) A continuing care retirement community as follows:
(i) A continuing care retirement community that was registered with the securities commissioner as a continuing care retirement community on or before January 1, 2007, and has continuously maintained at least one (1) continuing care agreement since on or before January 1, 2007, with an individual residing in the continuing care retirement community.
(ii) A continuing care retirement community that, for the period January 1, 2007, through June 30, 2009, operated independent living units, at least twenty-five percent (25%) of which are provided under contracts that require the payment of a minimum entrance fee of at least twenty-five thousand dollars ($25,000).
(iii) An organization registered under IC 23-2-4 before July 1, 2009, that provides housing in an independent living unit for a religious order.
(iv) A continuing care retirement community that meets the definition set forth in section 2 of this chapter.
(B) A hospital based health facility.
(C) The Indiana Veterans' Home.
Any revision to the state plan amendment or waiver request under this section is subject to and must comply with this chapter.
As added by P.L.229-2011, SEC.162. Amended by P.L.278-2013, SEC.16.

IC 16-28-15-8
Distribution of revenue from fee
Sec. 8. (a) The money collected from the quality assessment fee during state fiscal year 2012 may be used only as follows:
(1) Sixty-seven and one-tenth percent (67.1%) to pay the state's share of costs for Medicaid nursing facility services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.).
(2) Twenty-three and eight-tenths percent (23.8%) to pay the state's share of costs for other Medicaid services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.).
(3) Nine and one-tenth percent (9.1%) to pay prior year state nursing facility expenditures.
(b) The money collected from the quality assessment fee during state fiscal year 2013 may be used only as follows:
(1) Sixty-six and five-tenths percent (66.5%) to pay the state's share of costs for Medicaid nursing facility services provided under Title XIX of the federal Social Security Act (42 U.S.C.1396 et seq.). (2) Twenty-nine and four-tenths percent (29.4%) to pay the state's share of costs for other Medicaid services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.).

(3) Four and one-tenth percent (4.1%) to pay prior year state nursing facility expenditures.
(c) The money collected from the quality assessment fee after state fiscal year 2013 may be used only as follows:
(1) Seventy and six-tenths percent (70.6%) to pay the state's share of the costs for Medicaid nursing facility services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.).
(2) Twenty-nine and four-tenths percent (29.4%) to pay the state's share of costs for other Medicaid services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.).
(3) The office may decrease the percentage specified in subdivision (1) to pay state fiscal year 2011 and prior year state nursing facility expenditures only if the amounts collected in subsections (a)(3) and (b)(3) are insufficient to pay the expenditures. Once the expenditures described in this subdivision have been collected, the percentage specified in subdivision (1) shall be restored.
(d) Any increase in reimbursement for Medicaid nursing facility services resulting from maximizing the quality assessment rate under section 6(b) of this chapter shall be directed exclusively to initiatives determined by the office to promote and enhance improvements in quality of care to nursing facility residents.
(e) The office may establish a method to allow a health facility to enter into an agreement to pay the quality assessment fee collected under this chapter under an installment plan.
As added by P.L.229-2011, SEC.162. Amended by P.L.205-2013, SEC.215.

IC 16-28-15-9
Termination of fee; conditions
Sec. 9. If federal financial participation becomes unavailable to match money collected from the quality assessment fees for the purpose of enhancing reimbursement to nursing facilities for Medicaid services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.), the office shall cease collection of the quality assessment fee under this chapter.
As added by P.L.229-2011, SEC.162.

IC 16-28-15-10
Rules
Sec. 10. The office shall adopt rules under IC 4-22-2 necessary to implement this chapter.
As added by P.L.229-2011, SEC.162.

IC 16-28-15-11
Failure to pay fee; interest; report
Sec. 11. (a) If a health facility fails to pay the quality assessment fee under this chapter not later than ten (10) days after the date the payment is due, the health facility shall pay interest on the quality assessment fee at the same rate as determined under IC 12-15-21-3(6)(A).
(b) The office shall report to the state department each nursing facility and each health facility that either:
(1) fails to submit patient day information requested by the office to calculate the quality assessment fee; or
(2) fails to pay the quality assessment fee under this chapter; not later than one hundred twenty (120) days after the patient day information is requested or payment of the quality assessment fee is due.
As added by P.L.229-2011, SEC.162.

IC 16-28-15-12
Failure to pay fee; penalties
Sec. 12. (a) The state department shall do the following:
(1) Notify each nursing facility and each health facility reported under section 11 of this chapter that the nursing facility's license or health facility's license under IC 16-28 will be revoked if the patient day information is not submitted or the quality assessment fee is not paid.

(2) Revoke the nursing facility's license or health facility's license under IC 16-28 if the nursing facility or the health facility fails to submit the patient day information or fails to pay
the quality assessment fee.
(b) An action taken under subsection (a)(2) is governed by:
(1) IC 4-21.5-3-8; or
(2) IC 4-21.5-4.
As added by P.L.229-2011, SEC.162.

IC 16-28-15-13
Review; implementation of chapter
Sec. 13. The interim study committee on public health, behavioral health, and human services established by IC 2-5-1.3-4 shall review the implementation of this chapter.
As added by P.L.229-2011, SEC.162. Amended by P.L.205-2013, SEC.216; P.L.53-2014, SEC.134.

IC 16-28-15-14
Expiration
Sec. 14. This chapter expires June 30, 2017.
As added by P.L.229-2011, SEC.162. Amended by P.L.205-2013, SEC.217.