

Section 34 – ~~Vacated~~ Nursing Facility Incentive Program

North Dakota Medicaid-certified nursing facilities with Medicaid paid days and with at least ten months of operation in the prior federal fiscal year may be eligible for a Nursing Facility Incentive Program supplemental payment. A nursing facility that has announced that they are closing will not be eligible for the supplemental payment.

Nursing facilities performance in quality measures will be assessed annually over the prior federal fiscal year. Each nursing facility will be awarded a total sum of points based on selected quality measures that are all from publicly reported data and then placed in one of four tiers.

The base daily incentive rate will be calculated by dividing the total funds of eight million dollars by the total number of eligible nursing facility Medicaid paid days in the prior federal fiscal year. The base incentive payment will be calculated by multiplying the daily incentive rate times by each nursing facility's eligible Medicaid paid days.

For incentive payments made prior to June 30, 2024: the total funds will be four million dollars and the time period of the eligible nursing facility Medicaid paid days will be April 1, 2023 to September 30, 2023.

Base incentive payments will be distributed as follows:

- Nursing facilities in tier 1 will receive 100% of their base incentive payment.
- Nursing facilities in tier 2 will receive 85% of their base incentive payment.
- Nursing facilities in tier 3 will receive 60% of their base incentive payment.
- Nursing facilities in tier 4 are not eligible for a base incentive payment.

Any dollars not distributed in the base incentive payment will be distributed in a secondary payment as follows:

- 20% will be paid to nursing facilities in tier 1 based on their eligible Medicaid paid days.
- 80% will be paid to nursing facilities in tier 1 and tier 2 based on their eligible Medicaid paid days.

Total incentive payments will be the sum of the base incentive payments and the secondary payments. Incentive payments will be made annually by June 30 following the federal fiscal year. Incentive payments will not exceed the total funds.

This supplemental payment is for state governmental, nonstate governmental and private ownership categories. The supplemental payment established in accordance with this provision may not exceed the difference between the nursing facility Medicaid expenditures and the Medicare upper payment limit, in the aggregate, for nursing facility services, as defined in 42 CFR 447.272.

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