

**Michigan Department of
Health and Human Services**

**Calendar Year 2024
Nursing Facility Audit and Settlements
Annual Report**



Contents

Background	3
Calendar Year 2024 Statistics	4
Payment Information	4
Quality Assurance Supplement (QAS) and Quality Measurement Initiative (QMI) Payments.....	4
Quality Assurance Assessment Program (QAAP) Tax.....	4
Cost Reports	5
Audits Completed	5
Settlements	5
Audit Satisfaction Survey	6
Opportunities for Improvement	6

Background

Public Act 612 of 2018 requires the following:

- The department shall accept a Medicaid cost report filed by a nursing facility not more than 60 calendar days after that nursing facility has filed the cost report.
- The department shall ensure that an audit of a Medicaid cost report filed by a nursing facility performed by the department is completed not more than 21 months after the final acceptance of the cost report.
- The settlement for an audit shall be delivered to the provider not more than 60 calendar days after the provider accepts the final summary of audit adjustments.
- A customer satisfaction survey shall be provided to the nursing facilities that have completed audits in the previous quarter.

The Michigan Department of Health and Human Services (MDHHS) does not discriminate against any individual or group on the basis of race, national origin, color, sex, disability, religion, age, height, weight, familial status, partisan considerations, or genetic information. Sex-based discrimination includes, but is not limited to, discrimination based on sexual orientation, gender identity, gender expression, sex characteristics, and pregnancy.

Calendar Year 2024 Statistics

Payment Information

Payment Type	Payment	Recovery	Net
Total Per Diem	\$1,759,822,074	(\$0)	\$1,759,822,074
Initial and Revised Settlements	\$321,894,795	(\$10,278,194)	\$311,616,601
Final Settlements	\$ 11,995,843	(\$13,126,489)	(\$1,130,646)
Totals	\$2,093,712,712	(\$23,404,683)	\$2,070,308,029

Quality Assurance Supplement (QAS) and Quality Measurement Initiative (QMI) Payments

Payment Type	Payment	Recovery	Net
Quality Assurance Supplement Payments	\$359,093,798	(\$19,422,927)	\$338,670,871
Quality Measurement Initiative	\$78,714,157	(\$76,580)	\$78,637,577
Total Payments	\$437,807,955	(\$19,499,507)	\$417,308,448

Quality Assurance Assessment Program (QAAP) Tax

Billed	\$406,792,638
Paid	\$358,462,827
Outstanding as of 12/31/2024	\$48,329,811

Cost Reports

Fiscal Year end	Cost Reports Due	Cost Reports Received	Cost Reports Accepted	Average # of days to accept cost report	Cost reports received, not accepted within 60 days
01/01/2022-12/31/2022	428	428	428	27	0
01/01/2023-12/31/2023	430	432	429	28	0
01/01/2024-12/31/2024	42	42	29	20	0

Audits Completed

Fiscal Year end	Total audits to be completed	Audits completed by 12/31/2024	Audits Not Started	Audits not completed within 21 months of cost report acceptance
01/01/2022-12/31/2022	442	288	32	0
01/01/2023-12/31/2023	444	3	432	0

All audits were limited scope audits.

Settlements

	Payments	Recoveries	Net
Final Settlements Processed in CY2024	\$ 11,995,843	(\$13,126,489)	(\$1,130,646)

MDHHS does not currently have a process to track the timeliness of settlements. A process will be developed and implemented in calendar year 2025 to ensure compliance with PA 612 of 2018.

Audit Satisfaction Survey

The fiscal years 2022 and 2023 cost report year audit satisfaction surveys were sent to facilities starting in September 2024. Surveys are anonymous and will continue to be sent to each facility as their audits are completed.

Number of surveys sent	77
Number of responses received	27
Response Rate	35%
Percent of positive responses (strongly agree or agree)	91%
Percent of neutral or not applicable responses	9%
Percent of negative responses (strongly disagree or disagree)	0%

Opportunities for Improvement

One survey result indicated concern with audit adjustments. MDHHS has implemented executive summaries. The document contains payment information, the total audit adjustment amount and the impact of the audit adjustments. It also summarizes material issues or other issues of concern. These were rolled out on a trial basis for select fiscal year 2022 audits and will be issued for each facility at the end of all fiscal year 2023 audits.