



KERN HEALTH SYSTEMS POLICY AND PROCEDURES

Policy Title	Skilled Nursing Facility Workforce Quality Incentive Program	Policy #	8.66-P
Policy Owner	Accounting	Original Effective Date	01/01/2026
Revision Effective Date		Approval Date	01/29/2026
Line of Business	<input checked="" type="checkbox"/> Medi-Cal <input type="checkbox"/> Medicare <input type="checkbox"/> Corporate		

I. PURPOSE

This policy outlines the guidelines and process for payment and data sharing related to the Skilled Nursing Facility (SNF) Workforce and Quality Incentive Program (WQIP) for rating periods from January 1, 2023, through December 31, 2026, in accordance with the California Department of Health Care Services (DHCS) All Plan Letter (APL) 25-002.

II. POLICY

Kern Health Systems (KHS) is required to implement directed payments and facilitate data sharing processes related to the SNF WQIP as outlined the DHCS APL 25-002, in efforts to promote workforce stability and improve quality of care within SNFs serving KHS members. The policy outlines key responsibilities, timelines, and procedures to support accurate and timely payments to eligible SNF providers.

III. DEFINITIONS

TERMS	DEFINITIONS
SNF Level-B Services	<p>SNF Level-B services are defined in Title 22 California Code of Regulations (CCR) sections 51123(a), 51511(b), 51535, and 51535.1 as applicable and include:</p> <ul style="list-style-type: none"> • SNF services as set forth in Title 22 CCR section 51123(a): <ul style="list-style-type: none"> ○ Room and board. ○ Nursing and related care services. ○ Commonly used items of equipment, supplies, and services as set forth in Title 22 CCR section 51511(b). • Leave-of-absence days as set forth in Title 22 CCR section 51535. • Bed holds as set forth in Title 22 CCR section 51535.1

TERMS	DEFINITIONS
Class AA Citation	Citations that are issued to facilities for actions that are the proximate cause of resident death.
Class A Citation	Citations are issued to facilities for actions where there is imminent danger of death or serious harm to a resident or a substantial probability of death or serious physical harm.

IV. PROCEDURES

A. SNFWQIP Eligible Network Providers and Bed Days

1. KHS, either directly or through their Subcontractor s will identify qualifying Free Standing SNF Level B and Adult Freestanding Subacute Facility Level-B facilities eligible to participate to in the Medi-Cal program and that furnish services under a Network Provider Agreement.
 - a. Pursuant to W&I section 14126.024(d) and (l)(3), freestanding pediatric subacute care facilities, intermediate care facilities for the developmentally disabled homes, distinct part facilities, and SNFs with 100% designated special treatment program beds are not eligible for SNF WQIP.
2. KHS or Subcontractor will calculate the number of SNF WQIP qualifying bed days.

SNF WQIP qualifying bed days are calendar days during which a member receives SNF Level-B services inclusive of the first day of a Member's stay and excluding the day of discharge unless it is also the first day of stay, rendered during the PY and billed under a Network Provider Agreement.

 - a. Pursuant to W&I section 14126.024(e), bed days receiving reimbursement for special treatment program (STP) services for the mentally disordered are not qualified for SNF WQIP payments.
 - b. Hospice bed days are not qualified for SNF WQIP.
 - c. Facilities in which all beds are designated for STP and/or hospice services thus are not qualified for SNF WQIP.
 - d. Bed days reimbursed outside of a Network Provider Agreement, bed days for which Medi-Cal is a secondary payer, and bed days reimbursed through the Medi-Cal FFS delivery system are not qualified for SNF WQIP.

B. Payments and Other Provisions

1. KHS or their subcontract will make payment for qualifying bed days within forty-five (45) calendar days of receiving payment exhibits from the DHCS or within thirty (30) calendar days of receiving a clean claim from an eligible SNF Network Provider.
2. KHS or their subcontractor is responsible for recouping or withholding any amounts related to

Class AA or A citations form interim and final payments.

- a. Facilities with one or more class AA citations partly or wholly in the PY are disqualified from payments for that PY.
- b. Facilities with one or more class A citations partly or wholly in the PY receive a forty (40) percent penalty to the per diem payment amount for that PY.

C. WQIP Score and Quality Metrics

1. KHS or their subcontractor is responsible for calculating three claims-based clinical metrics on behalf of SNF WQIP- eligible Network Providers.

D. Bed Days Data Sharing

1. KHS or their Subcontractor will share a digitally manipulatable formatted summary level report of data received from DHCS within 30 days of receipt with SNF WQIP-eligible Network Providers.
2. KHS or their Subcontractor will confirm receipt of any discrepancy reported by a SNF WQIP- eligible Network Providers within three-business days and work with the Network Provider to reconcile data (member-level and claim data).

E. Provider Grievances

1. KHS has a formal procedure to accept acknowledge and resolve Network Provider grievances related to the processing or non-payment of SNF WQIP directed payments including the calculation of SNF WQIP qualifying bed days and will retain records (See P&P 4.03-P)

F. General Provisions

1. KHS will communicate the payment processes to SNF WQIP-eligible Network Providers and maintain a SNF WQIP public internet website. The communication and website will include a description of how payments will be processed, how to file a Provider grievance, how to determine the responsible payer, and a hyperlink to the DHCS SNF WQIP website.
2. KHS's Long-Term Services and Supports (LTSS) liaisons (described pursuant to APL 24-009 or any superseding APL) will be trained and able to assist Network Providers with questions and technical assistance related to SNF WQIP and the LTSS liaison's name, title, email address, and telephone will be published on KHS's SNF WQIP public internet website.
3. KHS will hold a webinar twice per year for all SNF WQIP-eligible Network Providers providing the capability for Network Providers to ask live questions and post the details on its SNF WQIP public internet website at least 30 days prior to the meeting.

G. Delegated Oversight

1. KHS is responsible for ensuring that their delegates comply with all applicable state and federal

laws and regulations, contract requirements, and other DHCS guidance, including applicable APLs, Policy Letters, and Dual Plan Letters. These requirements must be communicated by KHS to all delegated entities and subcontractors.

V. ATTACHMENTS

Attachment A:

VI. REFERENCES

Reference Type	Specific Reference
Regulatory	Title 22 California Code of Regulations (CCR) sections 51123(a), 51511(b), 51535, and 51535.1
Regulatory	W&I section 14126.024(d) and (l)(3)
Regulatory	W&I section 14126.024(e)
Other KHS Policies	P&P 4.03-P
All Plan Letter(s) (APL)	APL 24-009

VII. REVISION HISTORY

Action	Date	Brief Description of Updates	Author
Effective	01/01/2024	Policy created in accordance with the DHCS (APL) 25-002	Accounting
Revised			
Effective			

VIII. APPROVALS

Committees Board (if applicable)	Date Reviewed	Date Approved
Choose an item.		
Choose an item.		

Regulatory Agencies (if applicable)	Date Reviewed	Date Approved
Department of Health Care Services (DHCS)	04/14/2025	07/10/2025
Choose an item.		
Choose an item.		

