STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: California

Section 1919 of the Social Security Act (42 U.S.C. 1396r) provides at Subsection (h) (2) (F) that "a State may establish a program to reward, through public recognition, incentive payments, or both nursing facilities that provide the highest quality care to residents who are entitled to medical assistance under this title. For purposes of Section 1903 (a) (7), proper expenses incurred by a State in carrying out such a program shall be considered to be expenses necessary for the proper and efficient administration of the State plan under this title."

California's Health and Safety Code Section 1417.4 establishes a Quality Awards Program for nursing homes. The statute provides that "the department shall establish criteria under the program, after consultation with stakeholder groups for recognizing skilled nursing facilities that provide exemplary care to residents" and that "monetary awards shall be made to Quality Awards Program recipients that serve high proportions of Medi-Cal residents to the extent funds are appropriated each year in the annual Budget Act." These monetary awards are to be passed along to employees of the recipient facilities in the form of bonuses.

The Quality Awards Program provides monetary awards to facilities that provide the highest quality care. The Department's criteria for awards are based on a facility's actual performance. For example, facilities would only be eligible for the Quality Award if, over a specified period of time and at the time of the Award, they had received no federal deficiencies or state citations that indicate sub-standard quality of care. Monetary awards would only be available to those whose resident population contains a high proportion of Medi-Cal residents -- residents entitled to medical assistance under the State plan.

The Quality Awards Program complements the Best Practices Program, which more generally recognizes any particularly noteworthy intervention developed by a facility to improve quality of care or quality of life for skilled nursing residents.

The Quality Awards Program will operate on an annual cycle. Administration of the Program will entail establishment and ongoing refinement of selection criteria, selection of facilities for receipt of either general recognition or a monetary award (depending on the proportion of Medi-Cal recipients they serve), distribution of the Awards, and monitoring the appropriate use of monetary awards.