

## Michigan Department of Community Health

**Bulletin Number:** MSA 07-62

**Distribution:** Nursing Facilities (Provider Type 60)  
County Medical Care Facilities (Provider Type 61)  
Hospital Long Term Care Units (Provider Type 62)  
Ventilator Dependent Units (Provider Type 63)  
Hospice (Provider Type 15)

**Issued:** December 1, 2007

**Subject:** Quality Assurance Assessment Program (QAAP) Collections

**Effective:** January 1, 2008

**Programs Affected:** Medicaid

The purpose of this bulletin is to outline the process for the collection of the Quality Assurance Assessment Program (QAAP) tax under MCL 333.20161 when a provider sells a nursing facility or quits the business. The provider is responsible for all QAAP assessments billed and incurred prior to the date of the sale. If the provider quits the business, the provider is responsible for all QAAP assessments billed and prorated as of the date the facility closes. The purchaser(s) must assure escrow of any outstanding amounts owed or the purchaser(s) becomes responsible for payment.

Nursing facility providers are assessed a QAAP tax based on the number of nursing facility inpatient days, excluding Medicare inpatient days. If at the time of a nursing facility sale, the facility has an outstanding QAAP tax bill or is delinquent in payment of the QAAP tax, the total amount owed including accumulated penalty amounts must be escrowed and paid to the Michigan Department of Community Health (MDCH). If the succeeding purchaser(s) of a nursing facility fails to comply with the escrow requirement of this policy, the liability for the payment of the QAAP assessments and penalties that were not paid by the former owner of the nursing facility is the responsibility of the purchaser(s). The purchaser(s) must satisfy the outstanding QAAP assessment and penalty amounts before Medicaid participation can be granted.

### Manual Maintenance

Retain this bulletin until the information has been incorporated into the Michigan Medicaid Provider Manual.

### Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at [ProviderSupport@michigan.gov](mailto:ProviderSupport@michigan.gov). When you submit an e-mail, be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

### Approved



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