

Published June 9, 2026

Quality Improvement Incentive Payment (QIIP) Program

Instruction Manual

For the Rate Year Beginning January 1, 2028

Minnesota Department of Human Services

Nursing Facility Rates and Policy Division

QIIP Overview

The Minnesota Legislature established the Nursing Facility Quality Improvement Incentive Payment (QIIP) program in 2013¹. QIIP is managed by the Nursing Facility Rates and Policy Division of the Department of Human Services (DHS). QIIP awards all participating Medical Assistance-certified nursing facilities in the state financial rewards for improving their quality.

NEW THIS YEAR

Facilities will make selections through the DHS Provider Portal website as in prior years. Selections will be due **by 11:59 pm on July 12th, 2026**.

Please see below for more information and contact Teresa Lewis at Teresa.Lewis@state.mn.us with questions. Thank you!

Facilities participate by selecting one quality measure to improve using any process changes. Facilities do not need to report these process changes to DHS. After one year, DHS calculates and awards a prorated QIIP payment of up to \$3.50 per resident day to each facility, depending on how much the facility improves compared to its baseline. This cycle is repeated annually. Facilities are welcome to choose the same quality measure year-to-year.

QIIP payments continue for one year beginning January 1, 2028. There is no financial penalty if facilities do not improve on their chosen measure. Annual funding for QIIP is equal to 0.8% of the statewide average operating rate.

See below for [detailed instructions](#), [timelines](#) and [goals](#), and [contact information](#).

To Participate

1. Review your facility's QIIP Choices Report PDF, available on the DHS Nursing Facility Provider Portal website at <https://nfportal.dhs.state.mn.us/>
2. Choose topic and submit in the [DHS NF Provider Portal](#) **by 11:59 pm on July 12th, 2026**.
3. Implement any process change(s) you choose, and monitor progress over the year
4. Receive results and payment, if any, from DHS next fall

Detailed Instructions

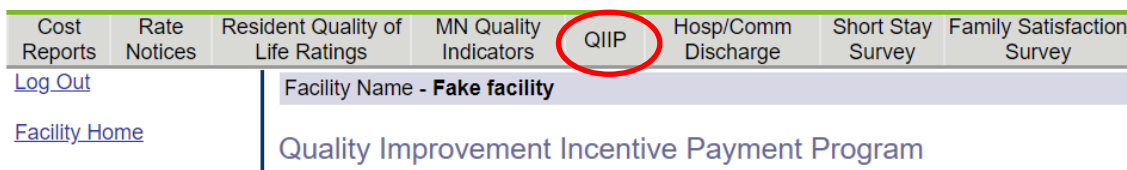
Facilities access quality performance reports and submit QIIP selections on the Nursing Facility Provider Portal at <https://nfportal.dhs.state.mn.us>. If staff don't know the Provider Portal username and password, please contact the facility administrator. Each facility has one username and password. If the administrator does not know the login information, the administrator should email Bev.Milotzky@state.mn.us or Teresa.Lewis@state.mn.us to request it. DHS will only release login information to the facility administrator on record at the Department. The facility administrator may share the login information with facility staff. After logging in to the Provider Portal, the user will be at their facility's home page.

Step One: Review QIIP Choices Report

The first step of each annual QIIP cycle is to select one topic for improvement. Facilities can select a clinical quality indicator (QI), a quality of life domain (QOL), or a transitions QI (hospitalizations or community discharges).

DHS strongly suggests facility staff review their QIIP Choices report before making their selection. This report includes baseline facility performance and the goals facilities will need to reach for the full payment of \$3.50. Facilities should select any goal **shown in green**.

1. After logging into the Portal, select the "QIIP" tab at the top of the page:



2. Select "[Click here to view data related to your 1/1/2028 QIIP Payment Rate.](#)" It is also helpful to review prior years if desired (available in the dropdown on the same page).

QIIP Report Columns

Column 1: Risk-adjusted Facility Rate. This column includes baseline rates for each facility on all available topics. (For more details, see the guide for each topic, available on the Portal.)

- The QI rates are the percentage of residents in each facility experiencing a clinical topic (# of residents/# of total eligible residents). Some residents are excluded if they are predisposed to the clinical topic. The QI rates are adjusted for resident characteristics that put them at risk for the topic. The QI rates are averaged over four quarters and updated quarterly. **The baseline for the clinical QIs is January 1, 2025 to December 31, 2025.**

- The 30-day hospitalizations are the hospitalizations per admissions and the 31-365 day hospitalizations are hospitalizations divided by low risk days (multiplied by 1000). The community discharge rates are the number of community discharges divided by the number of admissions. These rates are also risk adjusted and averaged over four quarters. **The baseline for the hospitalization QIs is January 1, 2025 to December 31, 2025, and for the community discharge QIs are October 1, 2024 to September 30, 2025.**
- The QOL rates are the percentage of positive answers for each topic of the facility’s annual resident QOL interviews, and are risk-adjusted based on resident age, gender, cognitive impairment, and physical impairment, as well as location of the facility. **The baseline for the QOL domains is interviews done from October 2025 to January 2026.**

Column 2: Standard Deviation. If a facility’s baseline performance is like most other facilities statewide, this is the amount it will need to improve (bring their rate down or up) on a quality topic for full QIIP payment.

Column 3: Goal using Standard Deviation. This equals the facility baseline, plus or minus one standard deviation. Topics showing <0% or >100% are areas where the facility is already performing very well and cannot earn the full \$3.50 QIIP. **DHS recommends facilities choose a different topic.** For more information about goals, see the [QIIP Goals section](#) below.

Column 4: Goal using Percentiles. This equals the statewide 75th percentile (or the 25th percentile for topics where a higher score is better). DHS uses this goal if a facility’s rate on a topic doesn’t reach the given percentile after improving by one standard deviation.

Column 5: Goal for Full Incentive Payment. This is the goal facilities need to reach on the quality topic to earn a full \$3.50 incentive payment. DHS selects the method (standard deviation or percentile) depending on the facility’s performance vs. the state, at baseline.

Again, any goal **shown in green** (Column 5) is a good choice for QIIP. See below for other scenarios:

- 1) If “N/A” is shown in Column 1, fewer than 20 residents in the facility were eligible for the QI during the year. DHS cannot calculate a baseline. **Do not select these measures.**
- 2) If Column 1 shows a value but the goal in Column 5 is **N/A**, the facility’s baseline is already within one standard deviation of 0% or 100%. The measure is not eligible for a full incentive payment. **DHS does not recommend facilities select these measures.**
- 3) If the goal in Column 5 is **light blue**, fewer than 40 residents in the facility were eligible for the QI during the year. DHS may not have enough information to calculate a final rate. **DHS does not recommend facilities select these measures.**

Quality Improvement Incentive Payment (QIIP) - Goals

for Facility
Rate Year 01/01/2024

1

| Quality Indicators - Baseline data 12/31/2021 (SS) = Short Stay CAUTION: "QIIP < \$3.50"; "Final Rate may be missing" | Risk-adjusted Facility Rate | Std. Deviation | Goal using Standard Deviation | Goal using Percentiles (25th or 75th) | Goal for full Incentive Payment |
|---|-----------------------------|----------------|-------------------------------|---------------------------------------|---------------------------------|
| Psychosocial | | | | | |
| QI 1 - Worsening or serious behavior symptoms | 9.027% | 6.249% | Good choice → 1% | | 2.778% |
| QI 2 - Depression symptoms | 22.56% | 4.681% | 17.88% | 5.920% | 5.920% |
| Quality of Life | | | | | |
| QI 3 - Physical Restraints | 0.000% | .5126% | < 0.0% | .0000% | N/A |

Step Two: If desired, review in-depth quality reports and documents

After viewing the QIIP Choices report, facilities may also look at their detailed quality performance reports and supporting informational documents. These are available on the Provider Portal (<https://nfportal.dhs.state.mn.us/>) or by request as noted below.

MN Quality Indicators

1. On the Provider Portal, click on the "MN Quality Indicators" tab at the top of the page.

The screenshot shows the Provider Portal navigation bar with tabs: Cost Reports, Rate Notices, Resident Quality of Life Ratings, **MN Quality Indicators** (circled in red), QIIP, and Hosp/Comm Discharge. Below the navigation bar, the 'MN Quality Indicators' page is displayed. It includes links for instructions and definitions, a date range selector, and several report options. The 'Long stay and Short Stay QI Report' dropdown menu is circled in red. Other options include MDS 3.0 QI (New) Reports, MDS 3.0 QI Reports, ARCHIVE: MDS 2.0 - 3.0 'Crosswalk' QI Reports, and ARCHIVE: MDS 2.0 QI Reports. A 'View Report' button is visible at the bottom.

2. Click the "Long Stay and Short Stay QI Reports" dropdown box and then click "View Report" for quarterly reports showing facility rates, ranks and point values for the MN QIs. Facilities can use these reports to monitor their progress during the year.
3. Also see links on this page to two documents that can assist in understanding the QIs:

- [Click here for instructions for reading the reports below](#) walks through the MN QI reports.
- [Click here for definitions of the quality indicators and risk adjusters](#) describes each MN QI in detail, including which MDS assessment items are used in calculating each measure.

Resident Quality of Life Domains

The QOL Observed 2025 Report includes question-by-question results to drill deeper into how your residents feel about each of the QOL topic areas. If you would like this report sent to you, please contact Teresa.Lewis@state.mn.us. (To view your 2025 Risk-Adjusted domain scores, see page 2 of the QIIP Choices Report.)

Hospitalizations and Community Discharges

1. On the Provider Portal, click on “Hosp/Comm Discharge” at the top of the page for community discharge results.

The screenshot shows the Provider Portal navigation menu. The 'Hosp/Comm Discharge' tab is highlighted with a red circle. Below the navigation menu, the page content includes a link to 'Click here for more information about the reports below', a section for 'Community Discharges' with a date range selector and a 'View Report' button, and a section for 'Hospitalizations' with a date range selector and a 'View Report' button.

2. Select a date range under Community Discharge then click “View Report.”
3. [Click here for more information about the reports below](#) provides an explanation of these reports.
4. Hospitalization reports are currently unavailable on the Provider Portal. If you would like this information sent to you, please contact Teresa.Lewis@state.mn.us.

Step Three: Choose and submit topic in Provider Portal

1. **You must submit your topic by 11:59 pm on July 12th, 2026.** A nursing facility that does not submit a topic by this time forfeits the opportunity to participate for the current QIIP cycle.
2. On the Provider Portal QIIP tab (below), fill in all information including your topic choice.
3. You can click Save Current Work to save your responses. Once finished, click Submit QIIP Choice.

| | | | | | | |
|--------------|--------------|----------------------------------|-----------------------|------|--------------------------|----------------------------|
| Cost Reports | Rate Notices | Resident Quality of Life Ratings | MN Quality Indicators | QIIP | State Inspection Results | Family Satisfaction Survey |
|--------------|--------------|----------------------------------|-----------------------|------|--------------------------|----------------------------|

[Log Out](#)

[Facility Home](#)

PID - Facility Name - Facility Name

Quality Improvement Incentive Payment Program

[Click here to view the Instruction Manual.](#)

[Click here to view data.](#)

Form Preparer

Form Preparer Email

Administrator

Administrator Email

Choice << Select >>

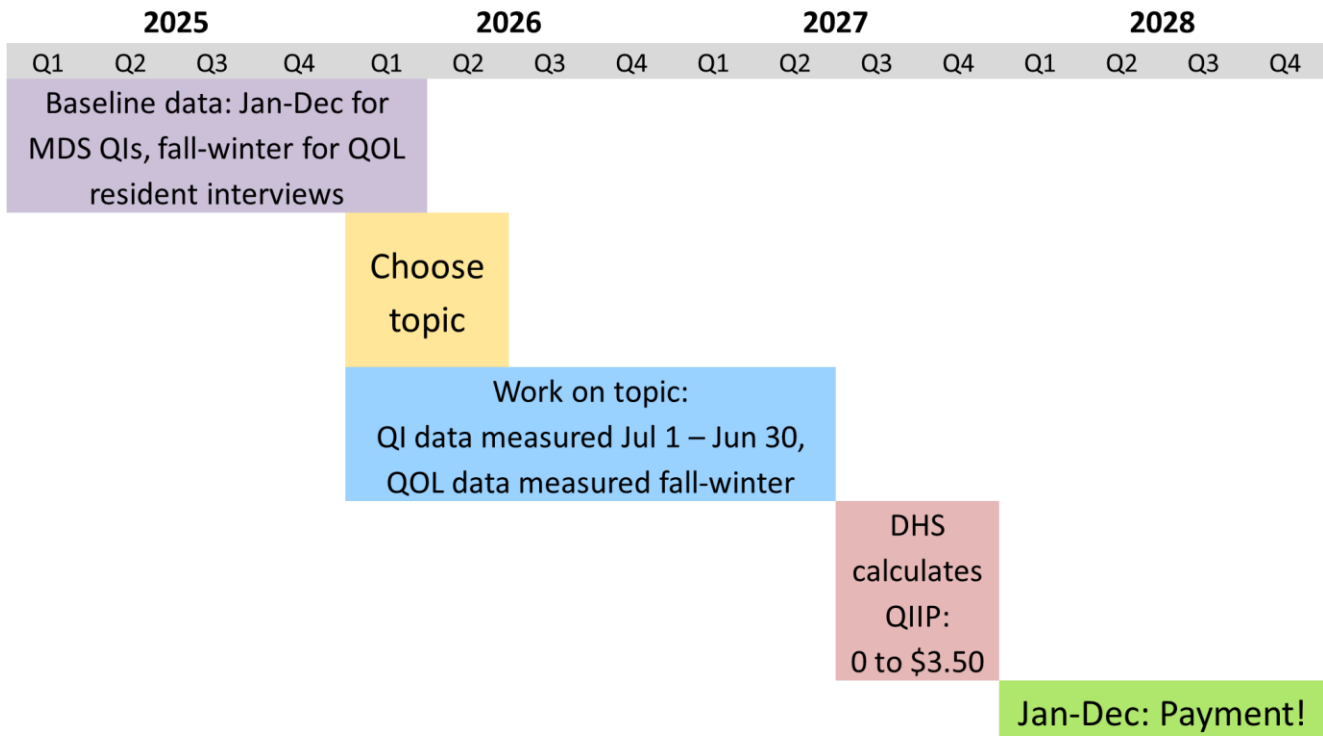
Step Four: Make any process changes and monitor progress

1. Implement any desired process changes to improve scores in your QIIP topic area. You do not need to report intervention(s) to DHS.
2. Monitor progress using your QOL, QI, or Hospitalization/Community Discharge report.

QIIP Timelines

Each year, DHS invites all nursing facilities participating in the Medical Assistance program with at least one year of available baseline data to participate in QIIP.

QIIP program years overlap slightly (see below). Facilities choose their quality measure for the upcoming QIIP year as the prior QIIP year is ending. **Facilities are welcome to select the same quality measure as many years in a row as they choose.** This is especially helpful if a facility would like more time to work on a performance goal in that area.



The QIIP program follows a multistep process:

1. Baseline data: DHS calculates facility goals using last year’s baseline data.
 - For clinical and hospitalization QIs, the baseline is January 1, 2025 to December 31, 2025. For the community discharge QIs, the baseline is October 1, 2024 to September 30, 2025.
 - For QOL domains, the baseline is interviews done from October 2025 to January 2026.
2. **Report topic: Facilities** report on the [DHS Provider Portal](#) by **11:59 p.m. on July 12th, 2026**.
3. Improvement work: Facilities may start work on their selected topic at any time. Facilities can make any process change(s) they choose.
 - For clinical and transition QIs, the improvement period includes Minimum Data Set assessments from July 1, 2026 to June 30, 2027.
 - For QOL domains, this period includes resident interviews anticipated to take place October 2026 to January 2027.
4. QIIP calculation: Before January 1, 2028, DHS will compare facility performance during the improvement period to the baseline period and award a QIIP payment of \$0 to \$3.50, depending on the amount of improvement.
5. Rate notices: DHS issues rate notices including the QIIP, if any, before January 1, 2028.

6. Payment: Rates with QIIP included take effect on January 1, 2028 and remain in effect until December 31, 2028.
7. Next cycle: The next cycle of the program will begin when quality choices are due to DHS in July 2027. DHS will pay QIIPs from January 1, 2029 to December 31, 2029. Each year, a new QIIP cycle begins in July, overlapping the previous two cycles.

QIIP Goals

DHS determines the improvement goals needed for each facility to earn a full payment. It does so by comparing two possible levels of improvement:

Goal using Standard Deviation: DHS uses this approach if a facility's baseline performance on a given quality topic is like most other facilities in the state. Facilities meet this goal when they improve their selected quality measure score by one standard deviation. The standard deviation is a statistic that compares how facilities are doing on a given measure. When facilities have similar rates, the standard deviation is small. When facility performance is more widespread, the standard deviation becomes larger.

Example using Standard Deviation Goal:

- A facility selects "Worsening or Serious Bladder Incontinence," a quality of care indicator where a lower rate is better. In this facility, 30% of residents are experiencing this unwanted care issue. This is comparable to most other providers in the state, so DHS will use the standard deviation approach to calculate their goal.
- One standard deviation for this QI is 10%.
- So, this facility's goal will be to reduce their QI rate by 10%, to 20% of residents with worsening or serious bladder incontinence (or, $30\% - 10\% = 20\%$).

Goal using Percentiles: DHS uses this approach instead if a facility's baseline performance on a quality topic is among the lowest-performing providers statewide. For measures where a lower rate is better, such as most of the clinical QIs, facilities meet this goal when they bring their rate down to the 75th statewide percentile value. For measures where a higher rate is better, such as the QOL domains, facilities meet this goal when they bring their rate up to the 25th statewide percentile value.

Example using Percentile Goal:

- A facility wants to reduce their use of physical restraints. Their rate of physical restraint use, 10%, puts them among the lowest-performing providers statewide on this topic.

- One standard deviation on this measure is 0.5%.
- Using standard deviation would ask them to reduce their rate by 0.5%, for a goal of 9.5% (or, 10% - 0.5% = 9.5%). This would then place them above the 99th statewide percentile.
- So, this provider will work instead to bring their rate down to the 75th percentile, which is 0% use of physical restraints.

Both facilities will earn between \$0.00 and \$3.50, proportionate to how much they improve.

Contact Information

Questions should be directed to the following DHS staff:

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|---------------------------------|--|
| Quality Measures | Teresa.Lewis@state.mn.us |
| Help Selecting Quality Measures | Kimberly.Class@state.mn.us |
| Incentive Payment Calculations | David.C.Hill@state.mn.us |
| DHS Provider Portal Access | Bev.Milotzky@state.mn.us or Teresa.Lewis@state.mn.us |

ⁱ Legislation enacted in 2013 creating the QIIP Program reads: *Minnesota Statutes, Section 256B.441, Subd. 46c. **Quality improvement incentive system beginning October 1, 2015.** The commissioner shall develop a quality improvement incentive program in consultation with stakeholders. The annual funding pool available for quality improvement incentive payments shall be equal to 0.8 percent of all operating payments, not including any rate components resulting from equitable cost-sharing for publicly owned nursing facility program participation under subdivision 55a, critical access nursing facility program participation under subdivision 63, or performance-based incentive payment program participation under section 256B.434, subdivision 4, paragraph (d). Beginning October 1, 2015, annual rate adjustments provided under this subdivision shall be effective for one year, starting October 1 and ending the following September 30.*

QIIP's current statutory reference is available by visiting the [Office of the Revisor of Statutes](#).

This QIIP Instruction Manual has been prepared to assist Nursing Facilities in the Minnesota Medical Assistance Program in selecting a topic for the QIIP program for which they will undertake quality improvement activities.