
Senior Services News



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To: All Nursing Facility (NF) Providers

Subject: Medicaid High Occupancy and Payment for Bedholds

Effective: Claims with service dates on or after July 1, 2007

Background: The State Appropriations Act for State Fiscal Year 2008 (July 1, 2007 through June 30, 2008) contains two budget initiatives that reference "the latest cost report" as the basis for determining whether a nursing facility is eligible to receive payment for being a Medicaid High Occupancy Provider or is to receive payment for Medicaid Bedholds.

Action:

Medicaid High Occupancy

Page 96 of P.L. 2007, c. 111 contains the following language regarding Medicaid High Occupancy: "The fund hereinabove appropriated for Payments for Medicaid Assistance Recipients-High Occupancy-Nursing homes shall be distributed for patient services among those nursing home where the Medicaid patient day occupancy level is at or above 75%. Each facility shall receive its distribution through a prospective per diem adjustment using actual days reported on the most recent cost report."

Procedure

1. The Department will use the latest cost report that it has available on June 1, 2007, for each facility to determine if the facility has a Medicaid patient day occupancy level at or above 75%.
2. The calculation used to determine the Medicaid patient day occupancy level is as follows:
 - The Medicaid patient days reported on Cost Report Schedule B, line 2 will be added to the patient days reported on Cost Report Schedule B, line 7 to arrive at total Medicaid Patient Days.
 - The total Medicaid Patient Days determined above will then be divided by the Total Patient Days reported on Cost Schedule B, line 9, to determine whether the Medicaid Occupancy level is at or above 75%.

3. If the Medicaid Occupancy level is at or above 75%, the facility will be eligible to participate in the distribution of the Medicaid High Occupancy appropriated funds (both State and federal).
4. There will be no recalculations for any cost reports that become available after June 1, 2007. They will be considered in the determination for the subsequent State fiscal year, if such funds are appropriated.

Bedholds

Page 96 of P.L. 2007, c. 111 contains the following language regarding payment for Medicaid bedholds: "Notwithstanding any law or regulation to the contrary, payments from the Payments for Medical Assistance Recipients-Nursing Homes account shall be made at 50% only for bedhold days at facilities with total occupancy rates at 90% or higher, based on the occupancy percentage reported on each facility's latest cost report; however, nursing homes shall hold a bed for a Medicaid beneficiary who is hospitalized for up to ten days."

Procedure

1. The Department will use the latest cost report that it has available on June 1, 2007, for each facility to determine if the facility has a total occupancy rate of 90% or higher.
2. The calculation used to determine the total occupancy rate is as follows:
 - For those facilities whose "maintained beds" were the same as its licensed capacity during the period covered by the most recent available cost report, the nursing facility occupancy rate is indicated on Cost Schedule B, Column (A), line 10.
 - For those facilities whose approved maintained beds were different from its licensed capacity for any time during the period covered by the most recent available cost report, the Department will calculate the occupancy rate using "maintained beds" up to September 30, 2006, and licensed beds for all periods after September 30, 2006.
3. The Department will notify the Medicaid Fiscal Intermediary of which facilities have total occupancy of 90% or higher, so that the appropriate payment may be made.
4. There will be no recalculations for any cost reports that become available after June 1, 2007. They will be considered in the determination for the subsequent State fiscal year, if such funds are appropriated.

Although these changes are effective as of July 1, 2007, it will take a few months for the fiscal intermediary, Unisys, to make the change in its system for the payment of the Medicaid bedholds. The Department will implement the Medicaid bedhold changes as soon as the system is reprogrammed. The Medicaid High Occupancy change will be implemented for all December 31, 2006 fiscal year-end providers when the July 1, 2007, rates are issued and for all others shortly thereafter.

Please contact John Ash, Director, Nursing Facility Rate Setting and Reimbursement at (609) 588-2691 if you have questions.

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