

TO: All Nursing Facility (NF) Providers

SUBJECT: Redistribution of 1996 Appropriated Funding to Nursing Facilities with High Medicaid Occupancy

PURPOSE: To inform NFs of additional Medicaid funding and subsequently request accurate submission of Medicaid occupancy data

BACKGROUND: Pursuant to the 1996 New Jersey Budget Appropriations Act, Public Law 1995, Chapter 164, the Division of Medical Assistance and Health Services will distribute a maximum of \$18 million to those NFs whose Medicaid patient day occupancy level is at or above 75%. Each such facility will receive its distribution through a prospective per diem rate adjustment. No NF will receive a total allocation greater than the amount lost, due to adjustments in Medicaid reimbursement methodology, which became effective April 1, 1995.

ACTION: To ensure the proper identification of eligible facilities whose Medicaid patient day occupancy level is

at or above 75%, it is imperative that each NF accurately complete and return the enclosed Facility Occupancy Statement form, along with the appropriate documents, by close of business day August 30, 1995. Facility Occupancy Statement forms may be FAXed to the Division at (609)588-7333. The original Facility Occupancy Statement form along with the appropriate documentation should be mailed to the Division at the address provided on the bottom of the Facility Occupancy Statement form. Special Care Nursing Facilities (SCNFs) are to submit separate forms for each independent special care unit.

The Facility Occupancy Statement form requests four critical pieces of information:

1. The number of Medicaid beneficiaries for whom the NF received Medicaid reimbursement for June 30, 1995.
2. The number of General Assistance (GA) beneficiaries for whom the NF received GA reimbursement for June 30, 1995.

NOTE: Include a list of each GA beneficiary with name, social security number, and the municipality responsible for payment.

3. The number of Medicaid applicants or approved beneficiaries residing in the NF for whom the NF anticipates payment for June 30, 1995

NOTE: Include a list with name, social security number, and Medicaid number if available.

4. The number of NF residents, for whom the NF received Medicaid reimbursement prior to June 30, 1995, for whom the NF billed Medicare for June 30, 1995, (not included in numbers 1., 2., and 3. above.)

NOTE: Include a list with name, social security number, and Medicaid number.

Appropriate NF reimbursement will be implemented through a per diem rate adjustment effective July 1, 1995 based on the information submitted by the NF. This information will be subject to revision based on material differences found later in the year. The prospective per diem rate adjustments will be calculated according to the following formula:

$$E = A \text{ Medicaid Days} / T \text{ Medicaid Days} * F$$

Where "E" is the entitlement for a specific nursing facility resulting from this allocation; "A Medicaid Days" is an individual nursing facilities' reported Medicaid days on June 30, 1995. "T Medicaid Days" is the total reported Medicaid days for all affected nursing facilities and "F" is the total amount of State and federal funds to be distributed.

ANY NURSING FACILITY THAT FAILS TO COMPLETE THE FACILITY OCCUPANCY STATEMENT

If you have any questions regarding this Newsletter, please contact Felix Almanzor, Chief, Bureau of Institutional and Provider Reimbursement, New Jersey Medicaid program at (609)588-2691.

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(BLUE TAB MARKED "5")**