



State of New Jersey
Department of Human Services
Division of Medical Assistance and Health Services

NEWSLETTER

Volume 6 No. 6

February 1996

- TO:** All Nursing Facility (NF) Providers
- SUBJECT:** Final Reconciliation of the 1996 New Jersey Appropriations Act Distribution to Nursing Facilities with High Medicaid Occupancy.
- PURPOSE:** To inform NFs of the second and final phase of the distribution and allocation process of the per diem add-on which affects the reimbursement rates of qualified facilities for the period of July 1, 1995, to June 30, 1996.
- BACKGROUND:** As initially explained in an August 1995 Medicaid Newsletter (Volume 5, No. 50), the Division of Medical Assistance and Health Services is required to distribute, during State Fiscal Year 1996 (July 1, 1995 - June 30, 1996), a maximum of \$18 million to those nursing facilities (NFs) whose Medicaid patient day occupancy level was at or above 75% on June 30, 1995. Each qualified facility has begun to receive its interim distribution through a prospective per diem rate adjustment. The information utilized in the calculation of the per diem rate adjustment for each facility was obtained by the Facility Occupancy Statement survey which was distributed to all facilities with the August 1995 Medicaid Newsletter and returned to the Division no later than August 30, 1995.
- ACTION:** As explained, the per diem add-on in the current NF rate, which is the mechanism to distribute the \$18 million, is based on the information that was submitted on the surveys by the nursing facilities for a single day Medicaid census, June 30, 1995. Medicaid occupancy in nursing facilities changes throughout the year. To assure that the amount distributed most accurately approximates \$18 million, the following actions will be performed:
1. Before March 31, 1996, the accuracy of the completed surveys will be verified by the Division of Medical Assistance and Health Services, to the extent possible. Those facilities whose Medicaid occupancy rate on June 30, 1995 has been verified at 75% or greater will remain qualified for the final reconciliation process.

2. If a nursing facility incorrectly identified its Medicaid occupancy for June 30, 1995, on the survey form, and is found to be below 75%, the amount of the overpayment as a result of the Appropriations Act Add-On will be recouped immediately at 100%.

3. The per diem add-on for the entire State fiscal year will be recalculated in April 1996, based on verified data and actual Medicaid days paid for services rendered from July 1, 1995, through December 31, 1995 and a projection for the remainder of the fiscal year. The new per diem rate that each facility receives will be considered final and not subject to further adjustment. No adjustment will be made if the revised maximum rate varies from the interim maximum rate by \$0.05 or less.

4. If necessary, a mass adjustment in the Spring of 1996 will correct the current interim per diem add-on.

Any concerns that an interested party may have should be brought to the attention of the Division of Medical Assistance and Health Services, Office of Nursing Facility Reimbursement, CN 712, Mail Code # 25, Trenton, NJ 08625-0712, prior to March 1, 1996. Any concerns raised after March 1, 1996, will not be considered with regard to the 1996 Appropriations Act Add-On.

If you have any questions regarding this Newsletter, please contact Felix Almanzor, Administrator, Office of Nursing Facility Reimbursement, New Jersey Medicaid at (609) 588-2691.

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