

TO: All Nursing Facility (NF) Providers

SUBJECT: Distribution of 1997 Appropriated Funding to Nursing Facilities with High Medicaid Occupancy

EFFECTIVE: July 1, 1996

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

BACKGROUND: Pursuant to the 1997 New Jersey Appropriations Act, P.L. 1996, c. 42, the New Jersey Medicaid Program 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 an interim 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 the business day August 30, 1996. The Facility Occupancy Statement form along with the appropriate documentation should be sent by certified mail to the Bureau 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 three critical pieces of information:

1. The number of Medicaid beneficiaries for whom the NF received Medicaid reimbursement for June 30, 1996.
2. The number of Medicaid applicants or approved beneficiaries residing in the NF for whom the NF anticipates payment for June 30, 1996.

NOTE: Include a list of names, social security numbers, and Medicaid numbers, if available.

3. The number of NF residents for whom the NF received Medicaid reimbursement prior to June 30, 1996, and for whom the NF billed Medicare for June 30, 1996, (not included in numbers 1 or 2 above.)

NOTE: Include a list with names, social security numbers, and Medicaid numbers, if available

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 facility's reported Medicaid days on June 30, 1996; "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. 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.

Before March 31, 1997, the accuracy of the completed surveys will be verified, to the extent possible. Those facilities whose Medicaid occupancy rate on June 30, 1996 has been verified at 75% or greater will remain qualified for the final reconciliation process.

If a nursing facility incorrectly identified its Medicaid occupancy for June 30, 1996, on the survey form and is found subsequently to be below 75%, the amount of the overpayment as a result of the Appropriations Act Add-On will be recouped immediately at 100%.

The per diem add-on for the entire State fiscal year will be recalculated in April 1997 based on verified data and actual Medicaid days paid for services rendered from July 1, 1996, through December 31, 1996, and a projection for the remainder of the fiscal year. The new per diem rate that each nursing 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.

Any concerns that an interested party may have should be brought to the attention of the Department of Health and Senior Services, Bureau of Nursing Facility Policy and Reimbursement, CN 712, Trenton, N.J. 08625-0712, prior to March 1, 1997. Any concerns raised after March 1, 1997, will not be considered in regards to the 1997 Appropriations Act Add-On.

**ANY NURSING FACILITY THAT FAILS TO SUBMIT THE FACILITY
OCCUPANCY STATEMENT BY AUGUST 30, 1996, SHALL NOT BE ELIGIBLE
FOR THIS SUPPLEMENTAL PAYMENT.**

**RETAIN THIS NEWSLETTER NUMERICALLY BEHIND THE NEWSLETTER
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