
Senior Services News



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TO: Nursing Facility (NF) Providers – For Action

SUBJECT: Medicaid Per Diem Reimbursement for Bed Hold in Nursing Facilities

EFFECTIVE: July 1, 2005

PURPOSE: To inform NF providers of a change in the per diem reimbursement for bed hold

BACKGROUND: Pursuant to the New Jersey Appropriation Act for State Fiscal Year 2006 (P.L. 2005, c.132), a nursing facility's Medicaid per diem reimbursement for "bed hold," that is, the reservation of a bed for a Medicaid beneficiary when that Medicaid beneficiary is hospitalized, shall be 50% of the facility's per diem rate. These payments shall be limited to the first 10 days of the hospitalization. Medicaid reimbursement for nursing facility services shall be discontinued beyond the 10th day of the hospitalization. This change in reimbursement is expected to decrease New Jersey Medicaid program expenditures approximately \$12.8 million (State and Federal dollars combined) during the State Fiscal Year 2006 (July 1, 2005 through June 30, 2006).

ACTION: Prior to July 1, 2005, the reimbursement rate was 90% of the facility's per diem rate. As of July 1, 2005, the reimbursement rate is 50% of the facility's per diem rate.

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