

Bulletin Number: MSA 06-54

Distribution: County Medical Care Facilities (Provider Type 61)
Hospital Long Term Care Units (Provider Type 62)
Hospice (Provider Type 15)

Issued: August 4, 2006

Subject: Rate Restoration and Quality Assurance Assessment Program (QAAP) Participation for Class III Publicly-Owned Nursing Facilities

Effective: As Indicated

Programs Affected: Medicaid

The purpose of this bulletin is to inform publicly-owned nursing facilities that the Michigan Department of Community Health (MDCH) has restored the 4% and the 1.85% previously imposed reductions effective for dates of service on and after October 1, 2005, as noted below.

MDCH will initiate action to adjust reimbursement for claims already processed for payments for dates of service on or after October 1, 2005. Claims will be processed as follows:

- If a single monthly claim was paid for a beneficiary **or** multiple claims were paid for a month **and** the beneficiary had no patient-pay amount. No action is required by the nursing facility.
- If a beneficiary had a patient-pay amount **and** multiple claims were submitted for a month, the nursing facility must submit void claims to cancel payments made and submit a new claim(s) in order to receive correct reimbursement.

Quality Assurance Assessment Program

Effective October 1, 2005, Class III publicly-owned nursing facilities began participating in the quality assurance assessment program (QAAP) and are eligible for nursing facility Quality Assurance Supplement (QAS) payments. For publicly-owned nursing facilities, the nursing facility QAS payment calculation defines the base as the lesser of the Class III variable cost component or the Class I variable cost limit.

Executive Order 2005-7

This bulletin restores the 4% rate reduction that was implemented in response to Executive Order 2005-7, for Class III publicly owned nursing facilities effective October 1, 2005.

Executive Order 2002-22

This bulletin restores the 1.85% rate reduction that was implemented in response to Executive Order 2002-22 for Class III publicly owned nursing facilities effective October 1, 2005.

Manual Maintenance

Retain this bulletin until the information has been incorporated into the Michigan Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved

A handwritten signature in black ink, appearing to read "Susan Moran". The signature is fluid and cursive, with a long horizontal stroke at the end.

Susan Moran, Acting Deputy Director
Medical Services Administration