

August 28, 2013

<Provider Name>  
<Provider Address1>  
<Provider Address2>  
<Provider City> <state> <zipcode5-zip4>

Dear Hospice Provider:

The purpose of this letter is to notify you that effective October 1, 2013, the Michigan Department of Community Health (MDCH) will no longer provide reimbursement of room and board for Medicaid beneficiaries treated in hospice residence facilities with licensed-only nursing facility beds.

Your facility will be impacted by this change.

As explained by MDCH during the April 24, 2013, meeting with the affected hospice residences, federal regulations at 42 CFR §442.12 require nursing facilities to be certified in order to receive Medicaid payment for room and board. While the affected facilities are licensed in Michigan, the licensed-only beds in these hospice residences are not surveyed under Medicaid or Medicare nursing home certification regulations. As such, these beds are not subject to the certification standards and therefore, are inappropriate for federal match funds. As a result, it is inappropriate for Michigan Medicaid to continue to reimburse hospice residences for room and board in this type of setting.

Reimbursement of room and board for Medicaid-eligible beneficiaries will be discontinued effective October 1, 2013, for all new admissions to hospice residences with licensed-only nursing facility beds. Your facility may continue to bill for room and board services for Medicaid beneficiaries admitted to your facility prior to October 1, 2013, and this reimbursement arrangement will continue through September 30, 2014.

To the extent possible, please inform your referral sources of this change.

Questions may be directed to Anne Baker at (517) 335-5246 or e-mail at [bakera5@michigan.gov](mailto:bakera5@michigan.gov).

Sincerely,



Stephen Fitton, Director  
Medical Services Administration