



STATE OF MICHIGAN

DEPARTMENT OF COMMUNITY HEALTH
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

JANET OLSZEWSKI
DIRECTOR

November 7, 2005

Dear Administrator:

IMPORTANT NOTICE — PLEASE READ CAREFULLY

Effective August 1, 2004, Michigan Department of Community Health (MDCH), Medical Services Administration required **all new** Medicaid beds to be certified for Medicare. Beds that were certified as Medicaid-only as of August 1, 2004 were "grandfathered in" — they were not required to become Medicare certified.

However, the policy also states that this exception no longer applies if the facility undergoes a change in ownership. **The new owner/provider must receive Medicare certification for all Medicaid-only beds in that facility within one year from the date of purchase of an operating nursing facility or from the date of reopening a previously closed nursing facility.**

The new owner/provider will receive a provisional Medicaid Provider Agreement while pursuing Medicare certification. Failure to secure dual certification for all Medicaid beds results in denial of Medicaid certification and termination of the Medical Assistance Provider Enrollment & Trading Partner Agreement (DCH-1625). If warranted, the State Medicaid Agency may grant an additional grace period contingent upon evidence that substantial progress has been made toward Medicare certification.

New owners must contact their State Survey Agency Licensing Officer to initiate the application for Medicare certification of the Medicaid-only beds. It is advisable to also notify the Medical Services Administration, Long Term Care Services Section of the intent to dually certify all Medicaid beds.

A new owner is considered a new provider and must also enroll in Medicaid as outlined in Provider Enrollment policy regardless of whether any bed certification changes are made.

The entire policy pertaining to dual certification and provider enrollment can be found on the MDCH website at www.michigan.gov/mdch. At the home page, click on "Providers," then "Information for Medicaid Providers," then "Medicaid Provider Manual." Select "Nursing Facility Chapter," "Certification, Survey and Enforcement Appendix," Sections 2.4.C and 2.5.

If you have questions about this policy, please call Howard Schaefer, MSW, Long Term Care Services Section, at 517-241-0820.

Sincerely,

Paul Reinhart, Director
Medical Services Administration