



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

ELIZABETH HERTEL  
DIRECTOR

September 4, 2025

TO: Interested Party

RE: Consultation Summary Project 2535-LTC - Nursing  
Facility Non- Available Bed Plan (NABP) Interim Policy

Thank you for your comment(s) to the Health Services Administration relative to Project Number 2535-LTC. Your comment(s) has been considered in the preparation of the final publication, a copy of which is attached for your information.

Responses to specific comments are addressed below.

**Comment:** Will NABPs with terms for less than six months by September 30, 2025, extend past October 1, 2025, with this policy?

**Response:** No, all existing NABPs will expire September 30, 2025. Skilled Nursing Facility (SNF) providers with existing NABPs will have 60 days from October 1, 2025, to request the 12-month NABP.

**Comment:** Some of our nursing facilities (NFs) have NABPs that will be less than six months in duration come September 30, 2025. We request that the Michigan Department of Health and Human Services(MDHHS) allows a six-month term on all existing plans. We also request that NABPs should continue in six-month increments instead of the 12-month increment proposed.

**Response:** Per final bulletin [MMP 24-13](#), all NABPs are set to expire on September 30, 2025, even if the plan's duration is less than six months. This interim policy allows those existing NABPs to continue if the NF chooses. Having one NABP request during this interim period reduces the burden on NFs and MDHHS alike.

If NFs are faced with fluctuating bed demand, there are additional options available, such as bed certification, bed decertification, or reaching out to the MDHHS Reimbursement and Rate Setting Section (RARSS) to request non-available beds return to service before September 30, 2026.

**Comment:** The policy states that NFs have 60 calendar days from removing the bed from service to request an NABP, but then says the plan becomes effective on the first day of the month. How does this work?

**Response:** We have updated the policy to remove the first of the month language, allowing for 60 calendar days from removing the bed(s) from service to submit a request.

**Comment:** We request that the permanent NABP policy does not require contiguous areas. This flexibility would allow NFs to create private rooms and allow couples to move in together.

**Response:** MDHHS wants to stress that NFs may create private rooms without using NABP flexibilities if they desire to by utilizing bed certification management. Medicaid already allows married beneficiaries living in the same NF to share a room, unrelated to NABP policies or contiguous area. Refer to the Nursing Facility Coverages chapter >> Special Placements and Agreements section >> Married Couple subsection of the [MDHHS Medicaid Provider Manual](#) for policy information.

**Comment:** The statement: "NFs with NABPs end-dated September 30, 2025, are eligible to submit a new NABP following expiration of the previously approved plan" appears to be contradictory to the statements in paragraphs one and two of this section (Life of an Approved NABP). Should it instead be updated to avoid conflict with the paragraph stating NFs have 60 days from October 1, 2025, to submit a new request?

**Response:** During this interim policy, MDHHS will allow an NF with an existing NABP to have their previously approved plan expire (by not submitting a request for 60 days) and then submit a new request for NABP.

**Comment:** The proposed policy does not mention if NABP beds effective October 1, 2025 - September 30, 2026, could be used for isolation purposes, such as COVID-19 or other infections or containments.

**Response:** The interim NABP policy would not have an isolation component as we are past the public health emergency (PHE). There are other options for NFs in the event of an isolation need, such as a bed isolation request (to use non-dually certified beds for Medicaid residents) or returning beds to service under special circumstances (to use non-available beds). Under this policy, once you return beds to service from an NABP, they will remain in service.

**Comment:** Would an environmental issue (such as infection outbreak or pest infestation) allow for "temporary" use of non-available beds or allow for those beds affected by the environmental issue to be designated non-available temporarily?

**Response:** No, non-available beds on an NABP cannot be temporarily utilized for special circumstances, as this would be considered an amendment to an NABP. If an NF with NABP needs to use non-available beds during a special circumstance, we recommend returning beds to service to accommodate any changes in demand.

**Comment:** A commenter requests that MDHHS revise the policy to allow all square footage in rooms that contain both available and non-available beds to be treated as Medicaid-reimbursable for the purposes of plant and applicable variable cost reimbursement. This approach more accurately reflects the actual costs incurred by the NF, maintains consistency with how services are delivered and documented, and minimizes compliance risks tied to complex cost-reporting calculations.

**Response:** MDHHS acknowledges the concern around variable costs for mixed usage rooms. MDHHS has therefore removed variable costs from this interim policy and will not take variable costs into reimbursement consideration during the interim period. This policy will continue to include plant costs using a square footage methodology for all rooms with non-available beds. Instead of creating an interim policy that required all beds in a room to be non-available in a discrete, contiguous area, which would require accounting for plant and variable costs, MDHHS is allowing NFs the flexibility of selecting any bed in any room to be included in NABP. Refer to the [MDHHS Medicaid Provider Manual](#), Nursing Facility Cost Reporting & Reimbursement Appendix >> Cost Classifications and Cost Finding section >> Non-Available Beds subsection >> Cost Reporting subsection for statistical reporting guidance.

MDHHS reminds NFs that they can create private rooms without the use of an NABP. This can be done through bed certification management. Doing so would allow the permanent creation of private rooms with no penalty. The use of permanent private rooms also eliminates the possibility of a resident in a single-bed room unwillingly receiving a roommate if the NABP ends for the other bed(s) in their room.

**Comment:** The square footage of shared rooms policy may create disincentives for NFs to utilize NABPs to create single occupancy room opportunities for residents, especially for NFs with predominantly shared rooms. It also introduces unnecessary administrative burden through complicated square footage tracking, despite no operational changes in how those rooms are maintained.

**Response:** While the use of square footage methodology may disincentivize NFs from creating private rooms using NABP, NFs can create private rooms without the use of an NABP through bed certification management. The

administrative burden should be minimal as the application of a per-bed percentage to the already recorded square foot measurements of a room will be based on a simple yes or no answer regarding services received from other cost centers.

**Comment:** MDHHS has stated that their desire is generally to end PHE-related policies. Final Bulletin [MMP 24-13](#) stated that all existing NABPs would end on September 30, 2025. It would follow that NFs would be required to submit new requests on October 1, 2025, not extensions of plans. We request explicit clarification that NFs with existing NABPs are permitted to create new NABPs starting October 1, 2025, which would allow for modifications from their plans under previous PHE policies.

**Response:** That is correct: final bulletin [MMP 24-13](#) states that all existing NABPs will end on September 30, 2025. All NABPs beginning October 1, 2025, will be new NABPs. This interim policy allows NFs with existing NABPs to create new NABPs, some of which may mirror the NABP that ended September 30, 2025. MDHHS has updated language to clarify.

**Comment:** We urge MDHHS to allow for new NABP applications or amendments in cases involving Change of Ownership (CHOWs) during the interim policy period to ensure operational continuity and regulatory compliance.

**Response:** A CHOW facility with an NABP ending September 30, 2025, that wants to “extend” their NABP would have the same considerations as all other NFs: the NF can submit a new NABP request effective October 1, 2025, or request a new NABP at any time during the interim NABP policy. No amendments to NABPs will be allowed for any NF during the interim policy period. Refer to the [MDHHS Medicaid Provider Manual](#), Nursing Facility Cost Reporting & Reimbursement Appendix >> Cost Classifications and Cost Finding section >> Non-Available Beds subsection >> Change of Ownership (CHOW) subsection for additional information.

**Comment:** We recommend allowing more flexibility around returning beds to service or ending NABPs entirely during the interim NABP period. NFs should be afforded at least one modification to their NABP within the year from October 1, 2025 through September 30, 2026.

**Response:** This policy has a section on returning beds to service which provides NFs with the flexibility of returning beds to service early under special circumstances. NFs will not be allowed to amend or modify their NABP during this interim policy.

**Comment:** In terms of variable costs, we believe that in mixed usage rooms, utilities and housekeeping should be reimbursed because the room will be heated/lit and cleaned for even a single occupied bed. How will the two different types of rooms (fully non-available and mixed usage) be handled?

**Response:** MDHHS acknowledges the concern around variable costs for mixed usage rooms. MDHHS has therefore removed variable costs from this interim policy and will not take variable costs into reimbursement consideration during the interim period.

Applicable statistical methodology will be applied to both fully non-available and mixed usage rooms, with a per-bed ratio used to calculate the applicable statistical information. This statistical information is subject to audit. Refer to the [MDHHS Medicaid Provider Manual](#), Nursing Facility Cost Reporting & Reimbursement Appendix >> Cost Classifications and Cost Finding section >> Non-Available Beds subsection >> Cost Reporting subsection for additional information.

**Comment:** We look forward to participating in stakeholder engagement sessions to ensure the permanent policy reflects the operational and financial realities facing Michigan's NFs. We appreciate MDHHS's willingness to consider stakeholder feedback and stand ready to work collaboratively toward policies that ensure high-quality care for Michigan's long-term care residents.

**Response:** MDHHS appreciates your feedback and looks forward to partnering with you and other stakeholders on this important topic.

Thank you for your inquiry. We trust that previous responses addressed the concerns and questions noted. If you wish to comment further, send your comments to Dr. Emily Frankman at [frankmane@michigan.gov](mailto:frankmane@michigan.gov).

Sincerely,



Meghan E. Groen, Chief Deputy Director  
Health Services