

BULLETIN

Michigan Medicaid Policy (MMP) | Health Services

Bulletin Number: MMP 25-35

Distribution: Nursing Facilities

Issued: August 29, 2025

Subject: Nursing Facility Non-Available Bed Plan (NABP) Interim Policy

Effective: October 1, 2025

Programs Affected: Medicaid

Purpose

The purpose of this bulletin is to introduce changes to non-available bed plan (NABP) policy on an interim basis. Per [MMP 24-13](#), all existing NABPs will expire on September 30, 2025. All NABPs approved during this interim policy will be considered new plans. The duration of all NABPs during the interim policy is no more than 12 months, with an expiration of September 30, 2026, while permanent policy is developed to address nursing facility (NF) feedback.

Qualifying Criteria

There are no discrete area or contiguous physical arrangement requirements for the designation of a non-available bed. During this interim policy period, providers are allowed to designate individual beds within a room that are not being used for resident care as non-available. A portion of the common physical space within a room containing both non-available beds and available beds **will** be designated as a non-available bed area for cost report statistical purposes. (Refer to the Cost Reporting section of this policy below).

Daily patient census records per bed must be maintained to ensure that non-available beds are not used for patient care. Failure to maintain daily census records by bed will negate the non-available bed arrangement.

Cost Reporting

Plant costs attributed to the area(s) designated as non-available and the related capital asset cost are not Medicaid reimbursable costs. The non-available rooms and bed numbers must be reported as a non-available beds cost center on the provider's Medicaid cost report. This includes entire rooms that are part of the NABP and rooms that contain both non-available and available beds.

NABPs that have rooms containing both non-available and available beds will have their square footage calculated to take plant costs into reimbursement consideration. The calculation will be based on the ratio of beds available (Medicaid-reimbursable) to beds non-available (not Medicaid-reimbursable).

Example: A semi-private room that has one available bed and one non-available bed will have 50% of its square footage calculated as its non-available cost area, which is not reimbursable by Medicaid. (2 beds total: 1 out of 2 beds non-available = 50% of square footage of that room not reimbursable for plant costs)

Example: A semi-private room with three beds where one is non-available and two are available would have 33% of its square footage calculated as its non-available cost area. (3 beds total: 1 out of 3 beds non-available = 33% of square footage of that room not reimbursable for plant costs)

Statistics related to non-available beds must be reported in the applicable cost center(s) in the Medicaid cost report. (Refer to the Nursing Facility Cost Reporting & Reimbursement Appendix >> Cost Classifications and Cost Finding section >> Non-Available Beds subsection >> Cost Reporting subsection within the [Michigan Department of Health and Human Services \(MDHHS\) Medicaid Provider Manual](#) for additional details.)

Life of an Approved NABP

New NABPs during the interim policy will have a life of no more than 12 months (with an end date of September 30, 2026). NFs with existing NABPs as of September 30, 2025, that wish to “continue” their NABP with a start date of October 1, 2025, must contact the MDHHS Reimbursement and Rate Setting Section (RARSS) no later than 60 days after the effective date of this policy. NFs with existing NABPs that do not contact RARSS within 60 days of this date will have their plans end-dated to September 30, 2025. New NABP requests may mirror the plans that ended on September 30, 2025, or they may be submitted with changes.

NFs without an existing NABP may apply for an NABP during this interim period with any plan ending September 30, 2026. Providers will have 60 calendar days from the date that the provider removes the bed from service to submit the written NABP request. If the request is not received within 60 days from the date of bed removal, then the date of the plan will begin the first day of the following month.

The 24-month ineligibility period that follows the expiration of the previously approved NABP, during which providers cannot submit a new NABP, will be waived until September 30, 2026. NFs with NABPs end-dated September 30, 2025, are eligible to submit a new NABP following expiration of the previously approved plan.

All NABPs created during this period, regardless of start date, will end on September 30, 2026.

Change of Ownership

If a NF changes ownership, the new owner may apply to extend the NABP by following the extension request policy as outlined in the Life of an Approved NABP subsection of this policy. This extension is not required to coincide with the NF's cost reporting period.

Amending a Plan

NABP amendments will not be allowed under this interim policy.

Penalty for Use of Non-Available Beds

Admitting residents to any beds designated non-available for occupancy, regardless of payer source, before the end of the NABP negates the non-available bed plan to October 1, 2025.

Returning Beds to Service

In special circumstances, such as a sudden increase in demand due to closure of a nearby NF, non-available beds may be returned to service before the end of the approved NABP with prior approval of RARSS.

Manual Maintenance

Retain this bulletin after review. Information in this bulletin is time-limited and will not be incorporated into the MDHHS Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Health and Human Services, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mailed to ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, NPI number, and phone number so you may be contacted if necessary. Typical Providers may phone toll-free 800-292-2550. Atypical Providers may phone toll-free 800-979-4662.

An electronic copy of this document is available at www.michigan.gov/medicaidproviders >> Policy, Letters & Forms.

Approved



Meghan E. Groen, Chief Deputy Director
Health Services