

Bulletin Number: MSA 08-41

Distribution: Nursing Facilities
County Medical Care Facilities
Hospital Long Term Care Units
Hospice

Issued: September 1, 2008

Subject: Facility Innovative Design Supplemental (FIDS) Program for Inpatient Long Term Care Facilities

Effective: Upon Receipt

Programs Affected: Medicaid

The purpose of this bulletin is to clarify the FIDS program time period, qualifying costs and the determination of the supplement amount as outlined in bulletin MSA 07-47.

The Michigan Department of Community Health (MDCH) FIDS initiative provides opportunity for increased reimbursement to participating FIDS facilities. The eligibility period begins at the point that the project is complete and continues for up to 20 consecutive years. As FIDS qualifying costs fall below the nursing facility's capital asset value (CAV) or the nursing facility's plant cost limit (PCL), the supplement amount is adjusted. All projects completed prior to October 1, 2007, will automatically lose FIDS participation status after September 30, 2027.

Qualifying costs are the costs of capital assets such as, land, land improvement, building, building improvement and equipment that meet the capital asset classification. Medicaid reimbursement methodology for the FIDS program follows current MDCH nursing facility cost-based principles and policy, including plant cost certification. Qualifying costs previously recognized in the nursing facility as capital asset costs are not recognized as capital asset costs for FIDS. For example, if a nursing facility campus includes land that has subsequently been used to add onto a facility as part of the FIDS program, the land is not recognized as a cost related to FIDS. Costs related to capital assets previously recognized as nursing facility capital assets are not recognized as capital asset costs in the FIDS program.

The reimbursement supplement is for FIDS participating facilities that have completed a MDCH approved construction or renovation design plan and participate in culture change as outlined by MDCH. The supplement amount is determined using either plant cost certification for the interim adjustment or by submitting the costs on the cost report in the fiscal year the FIDS project is reported. If a provider does not plant cost certify and only includes the costs on the cost report, the provider must specifically identify and detail the FIDS costs. For projects completed on or after January 1, 2008, providers must plant cost certify or forgo the FIDS reimbursement supplement.

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 that reads "Paul Reinhart". The signature is written in a cursive style with a large, stylized initial "P".

Paul Reinhart, Director
Medical Services Administration