

Bulletin Number: MSA 19-02

Distribution: Nursing Facilities, County Medical Care Facilities, Hospital Long-Term Care Units, Hospital Swing Beds, Ventilator-Dependent Care Units

Issued: February 1, 2019

Subject: Costs of Provider Donations for Outstationed State Staff on the Medicaid Nursing Facility Cost Report

Effective: As Indicated

Programs Affected: Medicaid

This bulletin describes changes to the Allowable and Non-Allowable Costs section of the Nursing Facility Cost Reporting & Reimbursement Appendix of the Medicaid Provider Manual. The changes described in this bulletin are effective for cost reporting periods beginning on or after April 1, 2019.

Federal rules at 42 Code of Federal Regulations (CFR) 433.66 allow states to use provider donations to receive Federal Financial Participation (FFP) from the Centers for Medicare & Medicaid Services (CMS) for outstationed eligibility workers. Per 42 CFR 433.15, the states may only receive a 50% FFP for state employees (including eligibility workers). Furthermore, 45 CFR 75.403 does not allow the states or other entities to receive federal awards (including FFP for Medicaid) multiple times for the same costs or to use federal awards to receive additional federal awards. Under the federal regulations, the states may not receive the higher Medicaid payment FFP rate for outstationed state staff and may not receive FFP multiple times for the same state staff costs.

Current policy in the Medicaid Provider Manual allowing the costs of provider donations for outstationed state staff on the nursing facility cost reports is not fully aligned with the federal regulations. This bulletin revises policy to bring the Medicaid Provider Manual into compliance with the federal regulations.

Provider Donations for Outstationed State Staff

Provider donations for outstationed state staff and any associated costs paid to the State of Michigan for outstationed state staff are non-allowable costs. These costs must be reported on the provider's cost report and then adjusted from the cost report to be excluded from the rate setting process. A provider that utilizes an outstationed state worker(s) must submit a copy of their contract(s) for the use of that worker with their cost report.

Manual Maintenance

Retain this bulletin until the information is incorporated into the 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-mail at 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. Providers may phone toll-free 1-800-292-2550.

Approved

A handwritten signature in black ink, appearing to read "Kathy Stiffler". The signature is written in a cursive style with a large initial "K".

Kathy Stiffler, Acting Director
Medical Services Administration