



P R O V I D E R B U L L E T I N

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To: All Nursing Facility Providers**Subject: Procedure for Medicaid Replacement Bed Exception**

Overview

Public law *121-2008*, also known as *Senate Enrolled Act (SEA) 315, SECTION 5*, enacted by the 2008 General Assembly (effective March 31, 2008), restricts additional beds from certification in the state Medicaid program unless the statewide occupancy rate is more than ninety-five percent (95%). The statewide occupancy rate is calculated annually on January 1 by the Indiana State Department of Health (ISDH). This law applies to comprehensive care beds that are licensed for Medicaid only or for Medicaid and Medicare both. There are some exceptions that allow facilities to replace these beds. This bulletin outlines these exceptions and provides guidance on how to apply for a bed exception.

Exceptions

Licensed Only Beds or Beds Licensed and Certified for Medicare Only

There is no restriction on the addition of comprehensive care beds that are to be licensed only or are to be licensed and certified only for Medicare. Applications for these beds are to be submitted to ISDH as usual.

Acute Care Beds and Specialized Service Beds

The restriction does not apply to acute care beds, usually found in hospitals, being converted to comprehensive care beds except as restricted by current regulations, nor does it apply to comprehensive care beds that are providing “specialized services” and are therefore subject to *IC 16-29*. Specialized services beds are used solely for a patient who has been diagnosed as having one (1) of the following conditions:

- Ventilator dependent
- Brain and high spinal cord trauma or a major, progressive neuromuscular disease
- Infected by the human immunodeficiency virus (HIV)

Applications under these exceptions are to be submitted to ISDH as usual.

Continuing Care Retirement Communities

The restriction does not apply to continuing care retirement communities required to file a disclosure statement under IC 23-2-4 if the continuing care retirement community (CCRC) was under development on March 30, 2008. In determining if the CCRC was under development on that date, ISDH will consider: whether architectural plans have been completed; funding has been received; zoning requirements have been met; construction plans have been approved by the state department of health and the division of fire and building safety and any other evidence that ISDH determines is an indication that the CCRC was under development. CCRCs wishing to add additional beds should apply to ISDH.

Replacement of Existing Beds

The restriction does not apply to beds that are meant to replace existing Medicaid-certified beds if the facilities comply with the following requirements. The facilities must:

1. Submit an application to the Division of Aging; **and**
2. Meet the licensure, survey and certification requirements of the Indiana State Department of Health (IC 16-28).

Beds may be replaced both within a facility and between facilities. The beds must be certified at the time of application, except in the case of disaster.

You will be notified of the Division of Aging's decision. Upon Division of Aging initial approval, the application packet will be forwarded to ISDH for its determination of compliance with the licensure, survey and certification requirements.

All changes in bed size must be done in accordance with Chapter 3 of the *State Operations Manual* at 3202 – Change in Size or Location of Participating SNF and/or NF which can be found at <http://www.cms.hhs.gov/manuals/downloads/som107c03.pdf>. Changes must also be in compliance with ISDH requirements that can be found at in the Administrator's Reference Guide located at <http://www.in.gov/isdh/21597.htm>

Application Procedure for Replacement Bed Exception – FSSA, Division of Aging

Please provide the following:

1. A letter from the licensee that owns the Medicaid-certified beds that are being replaced or transferred to another licensee. Include the name, address (including county), IHCP number, CMS Certification (CCN) number and a contact person for **each** facility involved and the number of beds to be replaced or transferred;
2. A letter from the licensee that will be receiving the beds verifying the number of Medicaid certified beds agreed to in the transaction described - under number 1. This letter is needed only if more than one facility is involved in the replacement bed transaction;
3. The facility floor plan prior to the requested replacement or transfer of beds for **each** facility involved;

4. The facility floor plan after the requested replacement or transfer of beds for **each** facility involved;
5. State Form (SF) 4322, Bed Inventory, prior to the requested replacement or transfer of beds for **each** facility involved; SF 4322 is located at <http://www.state.in.us/icpr/webfile/formsdiv/04332.pdf>.
6. State Form 4322, Bed Inventory, after the requested replacement or transfer of beds for **each** facility involved;
7. If the beds are being transferred to different ownership, a copy of the complete agreement about the bed transfer between the health facility transferring the beds and the facility that will be receiving the transferred beds.

Upon approval of the exception by the Division of Aging, the application packet will be forwarded to the Indiana State Department of Health, Division of Long Term Care for its determination of compliance with the licensure, survey and certification requirements.

All information should be submitted to:

Alice Kelsey
FSSA/Division of Aging
402 West Washington Street, Room W454
Indianapolis, IN 46204
Phone: 317.234.5856
Alice.Kelsey@fssa.IN.gov

Contact Information

If you have any questions you may contact:

Faith Laird
Deputy Director
FSSA/Division of Aging
Phone: 317.232.0604
Faith.Laird@fssa.IN.gov