

INFORMATIONAL LETTER

TRANSMITTAL: 96 INF-25

TO: Commissioners of
Social Services

DIVISION: Health and
Long Term Care

DATE: July 24, 1996

SUBJECT: Elimination of Prior Approvals for Bed Reservations

SUGGESTED

DISTRIBUTION: Medical Assistance Staff
Chronic Care Staff
Director Of Social Services
Staff Development Coordinators

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ATTACHMENTS: None

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
96 ADM-1		505.9			42 CFR 447.40 DOH Health Facilities Memorandum 78-96

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The purpose of this letter is to inform districts of a revision to current procedures regarding payment for reserved beds in nursing facilities.

Districts were previously issued 96 ADM-1, "Payment for Reserved Beds in Medical Institutions: Clarification of Policy", which identified terms commonly used in policy discussions regarding payment for reserved beds and defined the scope and purpose of bed reservation policy under the Medicaid program. This letter details a revision in the bed reservation procedure.

Currently, Prior Approval for payment for reserved bed days is required for hospital days between the 16th day and the 20th day and for therapeutic leave of absence days over 18 in a 12 month period. Prior Approval for these extensions is requested by the nursing facility and authorized by the regional offices of the Office of Health Systems Management (OHSM).

Effective June 1, 1996 Prior Approval is no longer required for payment of the bed reservation days noted above. Bed reservation payments continue to be limited to no more than 20 days per acute hospital stay. Therapeutic leave of absence days require the facility to retain on file for audit purposes supporting documentation in the form of a signed physician justification. Current policy remains in effect regarding vacancy rate and residency requirements. The facility's vacancy rate must not exceed 5%, and the patient must be a resident of the nursing facility for a minimum of 30 days for bed reservations to be billed to Medicaid.

Facility record keeping requirements as described in the Policy Section of the MMIS Residential Health Care Facility Provider Manual continue to be in force with the exception of DSS-3074 approval documentation. For billing purposes, nursing facilities must continue to record bed reservations and therapeutic leaves using the claiming instructions in the Billing Section of the MMIS Residential Health Care Facility Provider Manual.

Districts are not required to initiate new procedures or procedural reviews due to elimination of the Prior Approval function. Monitoring of vacancy rate requirements, residency requirements and limitation on hospital bed reservation days continues to be the responsibility of the New York State Department of Social Services. Districts should be aware that we are reviewing bed reservation policies in their entirety for possible restructuring. Any such changes will be made pursuant to revised regulations and appropriate opportunities for input.

Martin J. Conroy
Deputy Commissioner
Division of Health and Long Term Care