

February 15, 2013

**Subject: Implementation of Changes to Reimbursement Methodology for Bed Reserve Days**

Dear Administrator:

In accordance with Chapter 56 of the Laws of 2012, which amended Public Health Law section 2808(25)(c)(iv), and Title 10 NYCRR Section 86-2.40(ac) the following changes to the reimbursement methodology for bed reserve days for residential health care facilities (RHCFs) residents twenty-one years of age older are being implemented.

**Effective July 1, 2012**, the RHCF reimbursement for reserved bed days related to leaves of absence for temporary hospitalizations for Medicaid eligible patients will be reduced from 95% to 50% of the Medicaid rate otherwise payable to the RHCF.

A new category of leave of absence, health care professional therapeutic visits, has been defined. Leaves of absence related to health care professional therapeutic visits are for visits to a health care professional that are expected to improve the Medicaid eligible patient's physical condition or quality of life and that are consistent with a plan of care ordered by health care professional. Reimbursement for reserved bed days for health care professional therapeutic visits will be 95% of the Medicaid rate otherwise payable to the RHCF.

Payments to an RHCF on behalf of any Medicaid eligible patient for both temporary hospitalizations and health care professional therapeutic visits may not exceed a combined aggregate of fourteen days in any twelve month period.

Reimbursement for reserved bed days for other leaves of absence, include leaves of absence other than temporary hospitalizations and health care professional therapeutic visits leave of absences, will be 95% of the Medicaid Rate. Payments to an RHCF on behalf of any Medicaid eligible patient may not exceed ten days in any twelve month period.

The day count associated with any twelve month period for any patient will not be reset or modified.

Please use the following Revenue codes when submitting bed reserve day claims to indicate the appropriate bed reserve day category of leave.

- Revenue Code 185 for temporary hospitalizations.
- Revenue Code 189 for therapeutic leave consistent with a plan of care as order by such patients treating health care professional. This Revenue Code will be used in conjunction with Revenue Code 185 to determine the aggregate 14 day limit.

- Revenue code 183 for all other bed reserve days.

Please note that the changes described in this DAL do not change the existing regulations regarding reserved bed days (Title 18 NYCRR Section 505.9(d)) or a resident's transfer and discharge rights (Title 10 NYCRR Section 51 5.3(h)).

After the fourteen day cap is reached (for hospitalizations or health care professional therapeutic leaves of absence combined) or the ten day cap is reached (for therapeutic leaves of absence), and a resident has not returned to the RHCF, the RHCF need not continue to hold the resident's bed, but would be required to offer priority readmission to the individual. Further residents of RHCFs under the age of twenty-one and residents of OMH and OMRDD facilities and RHCF residents who are in receipt of hospice services are not affected by these changes.

### **Prospective Implementation**

Effective **on and after February 18, 2013**, claims submitted for bed reserve days related to temporary hospital leaves of absence with a service begin date on or after July 1, 2012 will be reimbursed at 50% of the rate otherwise applicable to the RHCF.

### **Retroactive Implementation**

Claims which have been submitted **prior to February 18, 2013 for dates of service July 1, 2012 through February 17, 2013**, and which are related to bed reserve days for temporary hospital leaves will be manually reprocessed by the Department to adjust the claim to reflect the reduction in payment from 95% to 50% of the rate otherwise applicable to the RHCF. To mitigate the cash flow impact on providers related to the recoupment of such amounts, the claims will be adjusted over five cycles commencing in Cycle 1854 (check date 3/4/2013). Each cycle will reprocess approximately 6 weeks of previously paid claims starting with the oldest claims first.

Please direct questions related to the general rules regarding the application of bed reserve payments (e.g., whether a day or patient is eligible for bed reserve payments) to: [dqscomm@notes.health.state.ny.us](mailto:dqscomm@notes.health.state.ny.us).

Please direct questions related to rates of payment to: [nfrates@health.state.ny.us](mailto:nfrates@health.state.ny.us).

*Jacqueline Pappalardi*

Jacqueline O. Pappalardi  
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Office of Health Systems Management

Sincerely,



For Robert Loftus  
Director, Bureau of Long Term Care  
Division of Finance and Rate Setting  
Office of Health Insurance Programs