

July 27, 2011

**DRS NH DAL 11-07**

**RE: Transitional Care Units Demo Program**

Dear CEO/CFO/Administrator:

Section 2802-a of the Public Health Law (PHL) was amended by Chapter 58 of the Laws of 2010 authorizing the Commissioner to approve an additional 13 general hospitals to operate transitional care units (TCUs) on a demonstration basis. Our September 1, 2010 solicitation of applications resulted in the receipt of 10 applications. Consequently, we will accept applications for the remaining slots.

This letter explains the purpose of the demonstration program, the application process, and what will be required of providers selected to operate a TCU under the demonstration program. All applications are due to the Department of Health by September 12, 2011.

**Transitional Care Unit Purpose:**

Section 2802-a of the PHL defines “transitional care” as sub-acute care services provided to inpatients of a general hospital who no longer require acute care inpatient services, but continue to need specialized medical, nursing and other hospital ancillary services and are not yet ready for discharge. TCUs should be limited in length of stay and designed to meet and resolve patients’ specific sub-acute medical care needs. Discharges from these units are to be timely and appropriate.

The improvement of quality outcomes for the TCU population, through the provision of appropriate services delivered in the most efficient manner, is the primary goal of the TCU demonstration program. Hospitals selected for this program will be required to demonstrate an overall decrease in length of stay, quantify the clinical benefits of the program for TCU patients, and illustrate a synergistic relationship with long term care providers in the community. Collaboration between hospitals and nursing homes in local service areas will help bring about more efficient allocation of patients between the two settings.

In accordance with 2802-a of the PHL, all providers applying to participate in this demonstration program must meet all Conditions of Participation (CoP) for skilled nursing facilities (SNFs), as defined under Title XVIII of the Federal Social Security Act (Medicare). In order to qualify for Medicare certification, providers must comply with Part 415 of Title 10 of the New York Compilation of Codes, Rules and Regulations (10 NYCRR). In this demonstration, providers not currently licensed to operate nursing home beds will **not** be required to obtain Public Health and Health Planning Council establishment approval. Additionally, TCU units are not recognized as residential health care facility (RHCF) beds as defined in 10 NYCRR Section 709.3.

As part of this demonstration program, specific State SNF regulations that may impede the development of TCUs or their ability to provide appropriate services to patients may be subject to waiver, at the discretion of the Department. Such issues will be reviewed on an individual basis. Applicants must demonstrate the need for any services proposed within the TCU and emphasize the benefits of such a program to a specific community, including, but not limited to, addressing the absence of sufficient post-discharge services in nursing homes and community-based care.

Transitional care units should be limited in length of stay and designed to meet and resolve specific sub-acute medical care needs. The expected average length of stay for patients served in a TCU ranges from 5 to 20 days, following a qualifying acute care stay. TCU services will be reimbursed at the applicable Medicare per diem SNF rate.

**Transitional Care Unit Criteria and Requirements:**

Section 2802-a requires that all providers applying to participate in this demonstration program meet all applicable requirements as defined under Title XVIII of the Federal Social Security Act (Medicare). Additionally, a TCU must:

- Have a length of stay of not less than 5 days and not in excess of 21 days;
- Have a pre-opening survey, separate Medicare Number, and skilled nursing facility (SNF) certification;
- Be staffed by qualified staff dedicated to the TCU;
- Serve patients who will benefit from active rehabilitation. (It is expected patients will actively participate in three hours or more of Occupational Therapy/Physical Therapy/Speech Therapy, every day, either three hours consecutively or in combination between rehabilitative sessions); and
- Collect information and submit reports to the Department on an annual basis to demonstrate an overall decrease in length of stay; quantify the clinical benefits of the program for TCU residents and illustrate a synergistic relationship with long term care providers.

Applications must address the configuration of the TCU. The Department will consider a range of bed size not to exceed 50; however the applicant must adhere to the following requirements:

- Beds must be located at 1 geographic location; and
- Locate all beds contiguously within a distinct unit/space within the hospital.

**Transitional Care Unit Application Process:**

As provided for under Section 2802-a, the Department is hereby soliciting applications from general hospitals to participate in the TCU Demonstration Program. Applicants shall complete relevant schedules of the Certificate of Need application, as indicated in attachments A and B. The Certificate of Need application can be found at [www.health.state.ny.us](http://www.health.state.ny.us). Click on forms on the home page and then to Certificate of Need Application.

- Attachment (A) lists the schedules of the full CON application Form that must be completed to apply for the demonstration program.
- Attachment (B) includes additional instructions for Schedule 1B, 6, 8, 16A, 16B and 16C for the TCU applications.

Those applicants with a cooperative agreement or Memorandum of Understanding with one or more skilled nursing facilities will be given priority in the review process.

Please note all applications should emphasize the benefits of a TCU demonstration to a specific community, including, but not limited to, the absence of sufficient post-discharge services in nursing homes and in home and community-based care; a detailed strategy for treating patients in TCUs and for achieving measurable outcomes; staffing patterns for the proposed TCU program or detailed plans for recruitment of staff upon approval of this project; and the discharge policies or procedures that will illustrate a purposeful discharge process.

**Applications should be sent by September 12, 2011, to:**

David A. Bruso, Bureau of Quality Assurance & Surveillance  
New York State Department of Health  
875 Central Avenue  
Albany, New York 12206

If you have any questions, please contact Valerie Deetz, Deputy Director, Division of Residential Services at (518) 408-1272.

Sincerely,

Mark Kissinger  
Deputy Commissioner  
Office of Long Term Care

Attachments

cc: Richard Cook