SUBSTITUTE FOR

SENATE BILL NO. 1037

A bill to amend 1939 PA 280, entitled

"The social welfare act,"

(MCL 400.1 to 400.119b) by adding section 111n.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

SEC. 111N. (1) IF THE DEPARTMENT ISSUES A NEW INTERPRETATION OF EXISTING MEDICAID PROVIDER POLICY DIRECTLY AFFECTING NURSING FACILITY MEDICAID COST REPORTS, THAT CHANGE IN POLICY MUST HAVE A PROSPECTIVE EFFECTIVE DATE. A POLICY MAY HAVE A RETROSPECTIVE EFFECTIVE DATE AS PART OF A STATE PLAN AMENDMENT APPROVAL OR WAIVER APPROVAL, OR IF REQUIRED BY STATE LAW, FEDERAL LAW, OR JUDICIAL RULING.

(2) BY JULY 1, 2019, BUT NO LATER THAN OCTOBER 1, 2019, THE

DEPARTMENT SHALL REVISE THE MEDICAID NONAVAILABLE BED PLAN POLICY TO ALLOW A NURSING FACILITY TO REMOVE BEDS FROM SERVICE FOR UP TO 10 YEARS. AS PART OF THE REVISED NONAVAILABLE BED PLAN POLICY, ALL OF THE FOLLOWING APPLY:

(A) A NURSING FACILITY IS NOT REQUIRED TO REMOVE ALL BEDS FROM A ROOM.

(B) THE BEDS PLACED IN A NONAVAILABLE BED PLAN MAY BE FROM NONCONTIGUOUS ROOMS.

(C) THE DEPARTMENT SHALL ALLOW THE ENTIRE NURSING FACILITY TO BE UTILIZED DURING THE PERIOD WHEN THE NURSING FACILITY HAS A BED IN THE NONAVAILABLE BED PLAN, BUT THE SQUARE FOOTAGE ASSOCIATED WITH EACH NONAVAILABLE BED IS NONREIMBURSABLE ON THE MEDICAID COST REPORT.

(3) BEGINNING OCTOBER 1, 2019, THE DEPARTMENT SHALL ESTABLISH A CURRENT ASSET VALUE BED LIMIT USING A ROLLING 10-YEAR HISTORY OF NEW CONSTRUCTION.

(4) THE DEPARTMENT SHALL ESTABLISH A PROCESS TO AUTOMATICALLY CHANGE THE PROGRAM ENROLLMENT TYPE AND MANAGED CARE ENROLLMENT STATUS IN THE COMMUNITY HEALTH AUTOMATED MEDICAID PROCESSING SYSTEM (CHAMPS) IMMEDIATELY WHEN A FILING HAS BEEN MADE TO DISENROLL A NURSING FACILITY RESIDENT FROM A HEALTH MAINTENANCE ORGANIZATION AND THE RESIDENT HAS COMPLETED 45 DAYS OF CARE AT A NURSING FACILITY. THE DEPARTMENT MAY UTILIZE A FILING TO DISENROLL A NURSING FACILITY RESIDENT FROM A HEALTH MAINTENANCE ORGANIZATION, ADMISSION AND DISCHARGE DATA ENTERED BY A NURSING FACILITY IN CHAMPS, OR AUTOMATED ADMISSION, DISCHARGE, AND TRANSFER TRANSACTIONS TO VERIFY THE 45-DAY LIMIT.

(5) WITHIN 60 DAYS AFTER RECEIPT OF A REQUEST FROM A NURSING FACILITY, THE DEPARTMENT SHALL PERFORM A SECONDARY REVIEW OF A DENIED RATE EXCEPTION, INCLUDING, BUT NOT LIMITED TO, RATE RELIEF, OR APPLICATION OF A CLASSWIDE AVERAGE RATE. THE SECONDARY REVIEW MUST BE PERFORMED BY DEPARTMENT STAFF WHO ARE INDEPENDENT FROM THE DEPARTMENT STAFF WHO PERFORMED THE INITIAL REVIEW DETERMINATION.

(6) THE DEPARTMENT SHALL OFFER A QUARTERLY MEETING AND INVITE APPROPRIATE NURSING FACILITY STAKEHOLDERS. APPROPRIATE STAKEHOLDERS SHALL INCLUDE AT LEAST 1 REPRESENTATIVE FROM EACH NURSING FACILITY PROVIDER TRADE ASSOCIATION, THE STATE LONG-TERM CARE OMBUDSMAN, AND ANY OTHER REPRESENTATIVES. INDIVIDUALS WHO PARTICIPATE IN THESE QUARTERLY MEETINGS, IN CONJUNCTION WITH THE DEPARTMENT, MAY DESIGNATE ADVISORY WORKGROUPS TO DEVELOP RECOMMENDATIONS ON THE DISCUSSION TOPICS THAT SHOULD INCLUDE, AT A MINIMUM, THE FOLLOWING:

(A) SEEKING QUALITY IMPROVEMENT TO THE COST REPORT AUDIT AND SETTLEMENT PROCESS, INCLUDING CLARIFICATION TO PROCESS-RELATED POLICIES AND PROTOCOLS THAT INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING:

(*i*) IMPROVING THE AUDITORS' AND PROVIDERS' QUALITY AND PREPAREDNESS.

(*ii*) ENHANCED COMMUNICATION BETWEEN APPLICABLE PARTIES SUCH AS DEPARTMENT STAFF, CONSULTANTS, AND PROVIDERS.

(*iii*) IMPROVING MEDICAID PROVIDERS' ABILITY TO PROVIDE AUDITABLE DOCUMENTATION ON A TIMELY BASIS.

(B) PROMOTING TRANSPARENCY BETWEEN PROVIDERS AND DEPARTMENT STAFF, INCLUDING, BUT NOT LIMITED TO, APPLYING REGULATIONS AND POLICY IN AN ACCURATE, CONSISTENT, AND TIMELY MANNER AND EVALUATING

CHANGES THAT HAVE BEEN IMPLEMENTED TO RESOLVE ANY IDENTIFIED PROBLEMS AND CONCERNS.

Enacting section 1. This amendatory act takes effect 90 days after the date it is enacted into law.