

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:

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

8 (2) BY JULY 1, 2019, BUT NO LATER THAN OCTOBER 1, 2019, THE
9 DEPARTMENT SHALL REVISE THE MEDICAID NONAVAILABLE BED PLAN POLICY

1 TO ALLOW A NURSING FACILITY TO REMOVE BEDS FROM SERVICE FOR UP TO
2 10 YEARS. AS PART OF THE REVISED NONAVAILABLE BED PLAN POLICY, ALL
3 OF THE FOLLOWING APPLY:

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

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

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

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

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

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

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

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

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

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

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

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

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

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