

**Clarification of the NF Billing Transition
Questions & Answers
July 30, 2009**

General Questions

1. When is the effective date of the transition of bundling some ancillary services into the nursing facility (NF) rates?

Beginning August 1, 2009, payment for select ancillary services for NF consumers will be included in the NF's reimbursement.

2. What services are included in the consolidated services per diem?

Oxygen (in all forms and delivery methods), custom wheelchairs (including all parts, options, accessories, and repairs), skilled therapies (physical therapy, occupational therapy, speech-language pathology/audiology), transportation (ambulance and ambulette), and some over-the-counter drugs.

3. How does the per diem payment work? Explain how \$0.33 a day covers the cost of providing oxygen.

The per diem payment for the consolidated services (oxygen, wheelchairs, therapies, transportation, and over-the-county drugs) is made for every day a Medicaid resident is in the NF, regardless of whether every resident actually receives any of the consolidated services. For example, in the case of a NF operating 100 beds, and assuming 65 of those beds are occupied with Medicaid residents for 365 days, the NF would receive \$92,764.75 annually for the bundled consolidated services.

The amount factored into the \$3.91 consolidated services per diem that is attributable to oxygen services is \$0.33. If none of the facility's 65 Medicaid residents receive oxygen, the NF will still receive the entire consolidated services per diem add-on. If several NF Medicaid residents receive oxygen services, the consolidated services per diem add-on reimburses the NF for providing the service.

4. Are Intermediate Care Facilities for persons with Mental Retardation (ICFs-MR) affected by these changes?

No, the change affects only Medicaid consumers in NFs.

5. Will providers continue to bill Medicaid directly for services provided to consumers residing in assisted living facilities, even if these facilities are on a NF campus?

Yes, the change impacts only services supplied for NF residents.

6. Does the change in reimbursement of ancillary services to the NFs impact consumers in managed care plans?

Managed care plans are responsible for covering medically necessary, Medicaid-covered services for their members. Payment for services delivered to consumers enrolled in managed care plans are dictated by the contract between the managed care plan and the provider. In order to determine how payments from managed care plans will be impacted, NFs must refer to their individual contracts with the managed care plans.

7. When paying their suppliers, will the NFs have to comply with Medicaid's prompt pay requirements?

No. Prompt pay applies only to Medicaid managed care and payments made directly by the state Medicaid program.

8. Can a NF negotiate lower rates than Medicaid now pays for these services?

Yes. NFs and their service suppliers can negotiate rates.

9. When does the three percent reduction for community providers go into effect and will this impact what NFs pay their suppliers?

The state will implement an average 3% rate reduction for community providers on January 1, 2010. NF contracts are independent of the state's reimbursement policies.

10. Can NFs contract with more than one supplier to provide these services?

Yes. NFs are free to contract with as many or as few suppliers as they wish.

11. Can NFs bill consumers directly for some of the bundled services?

No. While the NF may pursue payment from other third party payers (e.g., Medicare and private insurance), the nursing facility per diem satisfies the obligations of the Medicaid program and the consumer.

12. How will the co-payment requirements of dual eligible crossover claims for ambulance services and the skilled therapies be handled? Will providers continue to be reimbursed from ODJFS?

Payment to the NFs for dual eligible crossover claims for these services was included in the per diem increase. ODJFS will not pay separate crossover claims for these services for NF residents.

Transportation

13. Which origins and destinations will be included for transportation services provided by the NF?

Origin and destination modifiers apply to fee-for-service ambulance claims. Because no claims will be submitted to Medicaid for transporting NF residents, Medicaid billing and coverage requirements do not apply. However, the NF may require specific information to process payment to suppliers of services such as transportation.

14. If NFs provide ambulance services themselves, will they be required to operate under the regulations of the Ohio Medical Transportation Board?

Questions concerning the Ohio Medical Transportation Board requirements should be directed to that entity.

15. Will NFs require a certificate of medical necessity before their residents can be transported?

No. Certificates of medical necessity are a Medicaid requirement of fee-for-service transportation providers. They will not be required of the NFs. However, the NF may require specific documentation from their service providers.

16. How will emergency 911 calls be handled now that the NFs are responsible for emergency transportation?

This depends on community practice. If the 911 service is provided free in the community, nothing will change. If the 911 service was previously charged to Medicaid, it will be charged to and reimbursed by the NF.

17. Who is the responsible party for transports to a NF on the day a consumer is admitted to the facility?

Since NFs are paid for the day of admission, the NF is responsible for transport into the facility.

18. Who is the responsible party for transports from a NF on the day a consumer is discharged from the facility?

Since NFs are not paid for the day of discharge, Medicaid is responsible for and should be billed for transports on the day of discharge. Note that leave days (hospital or therapeutic) are not a discharge, and these transports remain the responsibility of the NF.

19. Are all aspects of transportation included in the bundled rate, including wheelchairs and cots?

Yes. All aspects of transportation are included in the bundled rate and are the responsibility of the NF.

Wheelchairs

20. Will wheelchairs that were in the approval pipeline prior to August 1 still be reimbursed to fee-for-service providers?

Yes, so long as medical necessity is demonstrated in the request for prior authorization (PA) and the consumer evaluation occurred before August 1 and not later than 90 days prior to the original PA submittal date.

21. If a PA for a wheelchair was submitted prior to August 1 but was returned to the supplier for clarification, correction or additional information and is not resubmitted until after August 1, will reimbursement still be made?

Yes, so long as medical necessity was demonstrated in the PA request and the consumer evaluation occurred not later than 90 days prior to the original PA submittal date.

22. How many NF wheelchairs are in the PA approval pipeline at present?

Approximately 390 as of July 29, 2009.

23. Are wheelchair repairs included in the bundled services?

Yes. All repairs are included.

Oxygen

24. Will the NFs require a prescription to provide oxygen to their residents?

Oxygen is a prescribed drug in Ohio and a prescription for its use is required.

25. If NFs provide oxygen services to their residents via an oxygen concentrator, will they be required to operate under the regulations of the Ohio Respiratory Care Board?

Questions regarding activities of the Ohio Respiratory Care Board should be directed to that entity.

26. Will ODJFS create new policies to oversee the oxygen equipment and transportation vehicles operated by NFs?

No. Additional policies are not necessary. NFs are already responsible for complying with all existing controlling language, regulation and guidelines of licensing, regulatory, accrediting or governing agencies related to these services.

27. Who will operate, maintain, clean and decontaminate the NF's oxygen concentrators?

The NF is responsible for these functions.

28. Are ventilators included in the bundled rate?

No, ventilators are not included in the bundled rate. Fee-for-service providers may continue to bill Medicaid for ventilator services provided to NF residents.

Over-the-Counter Drugs

29. What are some examples of over-the-counter drugs which will be provided by NFs?

Some items which will now be provided by the NFs are: Aspirin, Docusate, Guaifenesin, Hydrocortisone cream, Maalox, Multivitamins, Simethicone.

30. Will prescriptions be required for these over-the-counter drugs?

The NF should meet any requirements in place for ordering items needed for the care of a resident.

Therapies

31. Where will NF residents be able to receive therapy?

The nursing facility is responsible for providing therapy to residents when medical necessity exists. The place of services will be dependent on the nursing facility's method of meeting this obligation. For example, therapy may be provided at the NF, a private therapist's office, a physician's office, a clinic or a hospital.

32. Will the NF be able to limit the amount of therapy received by a NF resident?

Pursuant to federal certification standards, the nursing facility is obligated to meet the medical needs of each resident. If the therapy is medically necessary (for example, a physician orders therapy), the nursing facility is obligated to provide therapy for the resident.

33. Will a prescription be needed for therapy provided by the NF?

Medicaid requires a fee-for-service therapy provider to have a prescription in order to receive reimbursement, and while NFs are free to provide therapy without a prescription, it's unlikely that they would choose to do so.