

MEMORANDUM

Texas Department of Human Services * Long Term Care/Policy

TO: LTC-R Regional Directors
Section/Unit Managers

FROM: Marc Gold
Section Manager
Long Term Care-Policy
State Office MC: W-519

SUBJECT: Regional Survey & Certification Letter #99-12

DATE: April 2, 1999

The attached RS&C Letter is being provided to you for information purposes and should be shared with all professional staff.

- RS&C Letter No. 99-12 -- Skilled Nursing Facility (SNF) Rules on Distinct Part Bed Size Changes; Call Beverly Tucker, Section Manager, Professional Services, at (512) 438-2631.

If you have any questions, please direct inquiries to the individuals or sections listed above.

~Original Signature on File~

Marc Gold

Attachment

DEPARTMENT OF HEALTH & HUMAN SERVICES
Health Care Financing Administration

Region VI
1301 Young Street, Room 833
Dallas, Texas 75202

March 25, 1999

REGIONAL SURVEY AND CERTIFICATION LETTER NO: 99-12

To: All State Survey Agencies (Action)
All Title XIX Single State Agencies (Action)

Subject: Skilled Nursing Facility (SNF) Rules on Distinct Part Bed Size Changes

The purpose of this memorandum is to clarify the Health Care Financing Administration's (HCFA) policy regarding the rules on distinct part bed size changes.

Section 2337 of the Provider Reimbursement Manual, Part I, clearly states that a SNF may change the size of its distinct part only **ONCE** per cost reporting year.

To change its distinct part bed size, the SNF must submit a written request to the State Agency at least 120 days in advance of the cost reporting quarter, that falls within the same cost reporting year, wherein it seeks to change its bed size. This request must identify the current configuration and the proposed configuration to which the distinct part certification will apply. The change becomes effective at the beginning of the cost reporting quarter, only if it falls within the same cost reporting year, of the provider following approval by the State Agency of a written request for change. Where the provider receives an effective date of change less than 30 days before the beginning of the next cost reporting quarter, that falls within the same cost reporting year, the effective date may be delayed by the State Agency to either the following cost reporting quarter that falls within the same cost reporting year or the beginning of the next cost reporting year of the provider, whichever comes first. If the change becomes effective at the next reporting year, the provider cannot change its bed size during that cost reporting year and must wait until its next cost reporting year to do so.

A SNF that **does not request** a change in the bed size of its distinct part at the beginning of its cost reporting year may request one change during its cost reporting year under one of the exceptions noted below.

1. Life Safety Requirements -- An institution or institutional complex may request a reduction in the size of its distinct part SNF to avoid being out of compliance with the Life Safety Code requirements (e.g., sprinkler installation), if the proposed distinct part SNF is separated from the rest of the facility by a 2-hour fire wall, so that there is no danger of the fire spreading from other parts of the facility not meeting the safety requirements. In this case *only*, the proposed reduction in the size of the distinct part SNF may be established with an effective date that is requested by the provider, but not earlier

than the date that the separation can be documented. A full survey by the fire authority must be performed if the reason for the request is to limit noncompliance with fire safety requirements.

2. Enlargement Through Construction, Purchase, or Lease of Additional Space -- An institution or institutional complex may request an increase in the bed size of the certified distinct part SNF to include space acquired through new construction, purchase or lease. This space *cannot be added* to the distinct part SNF if a change in bed size has already been approved for that cost reporting year.
3. Establishment of or Enlargement of a Distinct Part NF -- An institution or institutional complex may request a change in the size of its certified distinct part SNF for the express purpose of establishing, or enlarging a NF. A NF *cannot be added* or enlarged if a change in bed size has already been approved for that cost reporting year.

(NOTE: Where two distinct parts [one SNF only and one NF only] embody all of the beds in an institution, a change in the size of one would [unless beds are taken out of service] require a corresponding change in the size of the other. As a result, this one action taken by the distinct part SNF would effectively nullify its ability to exercise its right as a distinct part NF, to change the size of its distinct part NF during that cost reporting year and visa versa.

Effective February 1, 1999, HCFA began applying these policies to NFs certified for participation in the Medicaid program. The State Operations Manual and the Provider Reimbursement Manual are currently being revised to ensure consistency between the Medicare and Medicaid programs, these revisions are forthcoming.

A request for a change in the number of certified beds of a participating SNF and/or NF cannot be approved on a retroactive basis; any change is made on a prospective basis only. The State Agency is responsible for advising the intermediary and updating OSCAR/ODIE of any bed size change that it has approved through the use of the HCFA tie-in notice.

Please notify all SNFs and NFs in your state of the policies clarified in this memorandum. If you have any questions concerning this letter, please contact Wanda Eskue at (214) 767-4428. Thank you for your time and attention to this matter.

Sincerely,

~Signature on File~

Calvin G. Cline, Chief
Survey and Certification Operations Branch