



Date: September 14, 2017

To: Nursing Facilities (NFs)

Subject: Provider Letter No. 17-30 - Procedural Requirements for Requesting Additional Medicaid Beds through an Exemption for High-occupancy Facilities

To qualify for a high occupancy rate exemption and receive an allocation of additional Medicaid beds when it has high occupancy rates, a NF must demonstrate that it has had an occupancy rate of at least 90 percent for nine of the 12 months prior to the application. A NF may not rely on data for any month before a previous increase. See the following three examples:

1. A NF submits a request for additional Medicaid beds on February 15, 2017 to become effective on April 1, 2017. The NF assumed its bed occupancy data for February and March, 2017 would be over 90 percent when it sent the request. The NF's request will be **denied** because at the time of the request, neither month's actual data has been reported. HHSC will not hold requests until the February and March data is reported. HHSC will deny requests that include projected and not actual occupancy data.
2. A NF submits a request for additional Medicaid beds on February 15, 2017, to become effective on April 1, 2017. The NF's last allocation increase became effective on July 1, 2016. The NF submitted nine consecutive months of data that reflected at least 90 percent occupancy, including two months of data that preceded the July 1, 2016 Medicaid bed increase, May and June 2016. **The NF's request will be denied** because occupancy data from months prior to the last allocation increase cannot be used in calculations for future allocation increases. Only occupancy data from months following an allocation increase can be used in requests for subsequent allocations increases.
3. A NF submits a request for additional Medicaid beds on February 15, 2017, in order to qualify for an increase to be effective on April 1, 2017. The NF's last increase took place on July 1, 2016. The NF has only accrued seven months of 90 percent occupancy by February 15, 2017. **The NF's request will be denied** because the request was made in February when only seven months of data was available. HHSC will deny requests that are based on fewer than nine months of actual data.

Medicaid Bed Allocation Requirements for high occupancy rate exemptions are found at [Texas Administrative Code, Title 40, Part 1, Chapter 19, § 19.2322\(f\)\(3\)](#).

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If you have any questions concerning the application process for requesting additional Medicaid beds, please contact the NF Licensure Unit at (512) 438-2630.

If you have questions about this letter, please contact a policy specialist in the Policy, Rules and Curriculum Development section at (512) 438-3161.

Sincerely,

[signature on file]

Mary T. Henderson
Associate Commissioner
Regulatory Services

MTH