

Affected Programs: BadgerCare Plus, Medicaid
To: Nursing Homes, HMOs and Other Managed Care Programs

Clarifications to Nursing Home Policy

This *ForwardHealth Update* clarifies nursing home coverage policy and also lists additional ForwardHealth Online Handbook topics that have been revised for clarification.

Hospice Members Residing in a Nursing Home

Accommodation Charges

Wisconsin Medicaid reimburses hospice services 95 percent of the skilled nursing facility (SNF) rate for the dates of service (DOS) billed, regardless of the amount contracted for between the hospice and the SNF. While Wisconsin Medicaid does not specify the contracted amount negotiated between the nursing home and hospice, there are contractual federal limits.

Durable Medical Equipment and Disposable Medical Supplies

Detailed listings of supplies and equipment considered to be covered by the facility daily rate can be found in the Durable Medical Equipment (DME) Index and Disposable Medical Supplies Index. DME and disposable medical supplies not covered in the facility daily rate, but when related to the member's terminal illness, are the financial responsibility of the hospice to provide.

Nursing Home Room and Board

For hospice members who permanently reside in a nursing home, Wisconsin Medicaid reimburses the hospice facility for nursing home room and board at 95 percent of the nursing home's current SNF rate for either a non-

developmentally disabled or developmentally disabled resident.

Retroactive Nursing Home Rate Changes

Providers can submit claim adjustments via the ForwardHealth Portal. Providers may use the search function to find the specific claim to adjust and alter it to reflect the desired change and resubmit it to ForwardHealth. Any claim ForwardHealth has paid within 365 days of the DOS can be adjusted and resubmitted on the Portal, regardless of how the claim was originally submitted.

Claim adjustments with DOS beyond the 365-day submission deadline should **not** be submitted electronically. Providers who attempt to submit a claim adjustment electronically for DOS beyond 365 days will have the entire amount of the claim recouped; instead, providers should submit a completed Adjustment/Reconsideration Request form, F-13046 (08/15), on paper by mail if their claim is more than a year old. Completed forms may be mailed to the appropriate address indicated in the instructions.

Refer to the Hospice Members Residing in a Nursing Home topic (topic #3195) in the Amounts chapter of the Reimbursement section of the Nursing Home service area of the Online Handbook at www.forwardhealth.wi.gov/ for more information.

Services in the Nursing Home Daily Rate

Under the Methods of Implementation for Wisconsin Medicaid Nursing Home Payment Rates (Methods), routine

nursing home services and costs that are reimbursed per the nursing home daily rate have been updated to include the following:

- Nursing services
- Special care services, including activity therapy, recreation, social services, and religious services
- Supportive services including dietary, housekeeping, maintenance, and institutional and personal laundry services (excluding personal dry cleaning services)
- Administrative and other indirect services
- Fuel and utilities
- Physical plant, including depreciation, insurance, and interest on plant
- Property taxes
- Certain over-the-counter drugs and all diabetic supplies
- Services for members with developmental disabilities
- DME and disposable medical supplies as covered in the DME Index and the Disposable Medical Supplies Index
- Indirect services provided by independent providers of service; examples include services performed by a pharmacist reviewing prescription services for a facility and services performed by an occupational therapist developing an activity program for a facility.

Ancillary Services for Nursing Home Residents

Ancillary services are those services that are considered non-routine and, as a result, are not included in the nursing home daily rate.

Prior approval is not required for medical transportation, laboratory, and X-ray services provided in a nursing home. Previously, laboratory and X-ray services required prior approval from the Division of Medicaid Services (DMS) Nursing Home Section Regional Auditors. In addition, AIDS/AIDS-related complex services (revenue code 0940) are no longer an allowable ancillary service in a nursing home, effective January 1, 2018.

Note: ForwardHealth will no longer be reimbursing for ancillary add-ons for nursing homes, as this has been removed from the Methods for fiscal year 2018. Previously, certain services that were billed separately from the nursing

home daily rate were included as an ancillary add-on to the nursing home daily rate.

Services for Head Injury Patients

Treatment and rates must be appropriate and receive prior approval from the DMS Nursing Home Policy and Rate Setting Section. Nursing facilities interested in the program requirements and information about treatment of head injuries should contact the following address:

Nursing Home Policy and Rate Setting Section Chief
Division of Medicaid Services
Bureau of Long Term Care Financing
PO Box 7851
Madison WI 53701-7851

Refer to the Services in the Nursing Home Daily Rate topic (topic #3214) in the Covered Services and Requirements chapter of the Covered and Noncovered Services section of the Nursing Home service area of the Online Handbook for more information.

Nursing Home Retroactive Rate Changes

ForwardHealth processes retroactive rate adjustments on previously paid claims when nursing facilities' daily rate changes affect those claims. The adjustments are processed on a weekly schedule after any rate adjustments are approved through the Bureau of Long Term Care Financing rate letters.

Beginning with Remittance Advices (RAs) 30 days after a rate recoupment is established, amounts under \$3,000 are recouped in full. If a rate recoupment is greater than \$3,000, the recoupment is limited to 15 percent of total payments to the provider for a period of 60 days. After 60 days, the remaining balance is recouped in full. If a provider wishes, the entire amount of a recoupment can be sent as a check to ForwardHealth to avoid adjustments to future RAs.

In cases of ownership changes, the previous owner should issue a check to cover the outstanding amount to ForwardHealth within 30 days.

Providers may request repayment arrangements that differ from ForwardHealth's regular schedule for reasons of financial hardship. Such requests should be addressed to the Nursing Home Policy and Rate Setting Section Chief, who will grant such requests in limited and exceptional circumstances, at the sole discretion of the Wisconsin Department of Health Services (DHS).

Repayment requests should be sent to the following address:

Nursing Home Policy and Rate Setting Section Chief
Division of Medicaid Services
1 W Wilson St, Rm 550
Madison WI 53703

Refer to the Retroactive Rate Changes topic (topic #3190) in the Amounts chapter of the Reimbursement section of the Nursing Home service area of the Online Handbook for more information.

Rate Review Process

A nursing home is allowed to review nursing home rates calculated by DMS up to 30 days from first issuance. Providers should directly communicate with their assigned DMS regional auditor to contest interpretations.

Per section 4.130 of the Methods, a provider may contest rates within 150 days of the date of the first rate approval letter. Providers should directly communicate with their assigned Medicaid auditor to contest interpretations. The provider will be limited to only one such retroactive adjustment per rate effective period in order to correct errors in reported data.

Per section 1.800 of the Methods, if a provider does not agree with the nursing home rates calculated by the Medicaid auditor, an administrative review may be requested. The request must be filed within 30 days from first issuance of the nursing home rates. All administrative reviews should be sent to the following address:

Director, Bureau of Long Term Care Financing
Division of Medicaid Services
1 W Wilson St, Rm 550
PO Box 7851
Madison WI 53703-7851

Per section 1.700 of the Methods, a facility may contest a final rate-setting action of DHS by writing to the following address:

Department of Administration
Division of Hearings and Appeals
PO Box 7875
Madison WI 53707-7875

The appeal letter must identify every matter or issue being contested. Requests should contain specific data and factual information for consideration and not provide only generalizations.

This information can be found in the Rate Review Process topic (topic #3191) of the Amounts chapter of the Reimbursement section of the Nursing Home service area of the Online Handbook.

Estate Recovery

Notice of Intent to File a Lien

As part of the Estate Recovery Program — per the Medicaid Eligibility Handbook, P-10030 — DHS may seek repayment of certain correctly paid home health and long-term care benefits. DHS may file a lien (a legal claim against property) for the satisfaction of a debt.

DHS will complete a Notice of Intent to File a Lien, F-13038 (06/10), when a member meets all the following criteria. The member:

- Lives in a nursing home or inpatient hospital and is required to contribute to the cost of care.
- Has a home, but is not expected to return to live at that home.
- Has none of the following relatives residing in that home:
 - ✓ Spouse
 - ✓ Child who is under age 21, blind, or disabled
 - ✓ Sibling who has an equity interest in the home and lived in the home continuously, beginning at least 12 months before the member's nursing home or hospital admission

The decision of whether or not the member is expected to return to live at that home will be based on the person's medical condition. A statement from the member's physician that the member can reasonably be expected to return home is sufficient support for the person's claim that he or she will return. The physician's statement should include a description of the diagnosis and prognosis for the member. A form asking for a physician to merely indicate by checking a box, etc., that there is a reasonable expectation that the institutionalized individual will return home is not acceptable or sufficient.

Refer to the Estate Recovery topic (topic #3200) in the Estate Recovery chapter of the Member Information section of the Nursing Home service area of the Online Handbook for more information.

Additional Policy Clarifications

Although there are no changes to specific policy, the following Online Handbook topics in the Nursing Home service area have been revised in order to clarify their meaning:

- Accommodation Rates (topic #3198)
- An Overview of Coordination of Benefits for Nursing Homes (topic #3220)
- Automated Algorithm System (topic #3204)
- Head Injury Patients (topic #3196)

- Negative Pressure Wound Therapy Pumps (topic #11018)
- Nonmedically Necessary Noncovered Services (topic #3211)
- Nurse Aide Training and Competency Testing (topic #3193)
- Other Covered Services Billable by Nursing Homes (topic #3215)
- Personal Needs Allowance for Nursing Home Residents (topic #3187)
- Preadmission Screening and Resident Review Level I Screening (topic #3228)
- Revenue and Procedure Codes for Nursing Homes (topic #3219)
- Services Requiring Prior Authorization (topic #3206)
- Specialized Psychiatric Rehabilitation Services for Mentally Ill Members (topic #3202)

Information Regarding Managed Care Organizations

This *Update* contains fee-for-service policy and applies to services members receive on a fee-for-service basis only. For managed care policy, contact the appropriate managed care organization (MCO). MCOs are required to provide at least the same benefits as those provided under fee-for-service arrangements.

The *ForwardHealth Update* is the first source of program policy and billing information for providers.

Wisconsin Medicaid, BadgerCare Plus, SeniorCare, and Wisconsin Chronic Disease Program are administered by the Division of Medicaid Services, the Wisconsin Department of Health Services (DHS). The Wisconsin AIDS Drug Assistance Program and the Wisconsin Well Woman Program are administered by the Division of Public Health, DHS.

For questions, call Provider Services at 800-947-9627 or visit our website at www.forwardhealth.wi.gov/.

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