



Long Term Care

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AB 1629 to Impact Skilled Nursing Facility Rates, Fees and Service Quality

Assembly Bill 1629, signed into law September 29, 2004, enacts the Skilled Nursing Facility Quality Assurance Fee and the Medi-Cal Long Term Care Reimbursement Act. Provisions of the bill direct the Department of Health Services (DHS) to obtain federal approval to:

- Impose a quality assurance fee on specified Free-Standing Skilled Nursing Facilities (FS/NF) of 6 percent of the entire net revenue of all skilled nursing facilities subject to the fee.
- Implement a facility-specific rate methodology for FS/NFs by August 1, 2005.

See new *Health & Safety Code* Sections 1324.20 – 1324.30, 1418.81 and amended *Welfare and Institutions Code* Sections 14105.06, 14126 – 14126.035.

The Centers for Medicare & Medicaid Services (CMS) is reviewing the request to implement the legislation. When CMS approval for the new methodology and the quality assurance fee is obtained, the existing freeze will be lifted and the quality assurance fee will be imposed. The quality assurance fee and the fiscal year 2004/05 cost-of-living adjustment will be made retroactive to dates of service on or after August 1, 2004, and the facility-specific rate methodology will be effective for dates of service on or after August 1, 2005. The bill is slated to sunset July 31, 2008.

Additional provisions in AB 1629 require:

- FS/NFs to include, in each residents’ care plan, a projected length of stay, discharge potential and preference to return to the community.
- DHS to collect baseline information on FS/NFs regarding the number and type of citations; staffing levels, wages and benefits; and residents’ quality of care and preference to return to the community.
- DHS to report to the Legislature about whether the new methodology appropriately reimburses facilities within specified cost categories, how the new system impacts the General Fund and the extent to which residents who expressed a preference to return to the community were able to do so.

For new facilities, DHS will develop interim rates until sufficient cost report data is collected. For facilities that have undergone a change of ownership, rates will be based on the prior owner’s rates until sufficient cost report data is collected.

Additional information will be released in future *Medi-Cal Updates*.

Change in Submission Requirement for Medical Synagis TARs

Effective December 1, 2004, providers are required to submit *Treatment Authorization Requests* (TARs) via fax to the Los Angeles Medi-Cal Field Office (LAMFO) for physician visits required to administer Synagis injections. The LAMFO fax number is 1-866-816-4377. Pharmacies may continue to submit TARs to the appropriate Medi-Cal pharmacy field office for adjudication of services not rendered in a physician's office. *The updated information is reflected on manual replacement page tar field 4 (Part 2).*

Other Health Coverage Change of Address

The following Other Health Coverage (OHC) address has changed:

Long Term Care Insurance Denial of Coverage Referral forms should be sent to:

California Department of Health Services
Health Insurance Section/LTC Unit
MS 4719
P.O. Box 997422
Sacramento, CA 95899-7422

This updated information is reflected on the last page of the Other Health Coverage (OHC) section.

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Remove and replace
after *Other Health*

Coverage section: *Long Term Care Insurance Denial of Coverage Referral Form*

Remove and replace: remit pay 1/2
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