



Long Term Care

January 2007 • Bulletin 358

Contents

Medi-Cal Training Seminars

Professional Liability Insurance (PLI) Pass-Through	1
LTC Reimbursement Rates	1
Institutions for Mental Diseases Reimbursement Rate Update	2

Professional Liability Insurance (PLI) Pass-Through

The facility-specific provider reimbursement rates for Free-Standing Nursing Facilities Level B (FS/NF-Bs) and Free-Standing Subacute Nursing Facilities Level B (FSSA/NF-Bs) were recently updated. The California Department of Health Services (CDHS) calculates the August 1, 2006 professional liability insurance (PLI) component pass-through of the Assembly Bill (AB) 1629 reimbursement methodology according to the following methods:

- The PLI amount reported on the 2004 Supplemental Schedule 1 was used when the facility’s Office of Statewide Health Planning and Development (OSHPD) ID and fiscal period end date matched with the facility’s OSHPD “as submitted” report. This amount may be validated by CDHS.
- If the submitted Supplemental Schedule 1 was for a different time period than the “as submitted” OSHPD report and there was a 2004 audit, the audited 2004 PLI amount was used.
- If the submitted Supplemental Schedule 1 was for a different time period than the “as submitted” OSHPD report and there was no 2004 audit, the prior year’s inflated audited amount was used, if available.
- If the submitted Supplemental Schedule 1 was for a different time period and there was no audit for 2003 or 2004, a “proxy” pass-through amount was paid.
- If no Supplemental Schedule 1 was submitted, the facility pass-through will be zero.

PLI pass-through costs are not capped, but they are limited by the overall annual legislative growth permitted by the AB 1629 legislation.

LTC Reimbursement Rates

For dates of service on or after August 1, 2006, facility-specific provider reimbursement rates for Free-Standing Nursing Facilities Level B (FS/NF-Bs) and Free-Standing Subacute Nursing Facilities Level B (FSSA/NF-Bs) are revised.

The peer group rate applies to newly certified facilities with no prior ownership. The facility-specific rate reimbursement methodology establishes seven peer groups.

These groups, the counties included in each group, and the revised peer groups’ weighted average rates are reflected on manual replacement page rate facili diem 2 (Part 2).

Institutions for Mental Diseases Reimbursement Rate Update

Effective retroactively to July 1, 2006, rates are updated for selected Nursing Facilities Level B (NF-Bs) designated as Institutions for Mental Disease (IMDs) and billing for residents 65 years of age and older. These facilities are exempt from Assembly Bill (AB) 1629 facility-specific rate methodology and the Quality Assurance Fee (QAF) program.

For more information, see “AB 360 (2005)” in the *Rates: Facilities* section of the Part 2 manual.

This information is reflected on manual replacement page rate facil diem 3 (Part 2).

Long Term Care Bulletin 358

Remove and replace: *Contents for Long Term Care Billing and Policy iii/iv* *

Insert new section
after the *Preadmission
Screening Resident
Review (PASRR)*

section: prov bil 1 thru 4 *

Insert after the new
*Provider Billing
after Beneficiary
Reimbursement
(Conlan v. Shewry)*

section above: *Request for Beneficiary Reimbursement Letter (Letter 08)* *

Remove and replace: rate facil diem 1 thru 4

* Pages updated due to ongoing provider manual revisions.