

## Private Room Conversion Procedures

### Qualifying Facilities

1. In order for a nursing facility's beds to qualify for an additional \$5 per diem payment, the revised square footage per bed, a revised property tax pass through and revised property insurance pass through the following conditions must be met:
  - The nursing facility must convert one or more semi-private rooms to private rooms on or after September 1, 2007.
  - The converted private rooms must be occupied by Medicaid residents to receive the \$5 incentive payment.
  - The nursing facility must surrender their bed licenses equal to the number of converted private rooms.
  
2. Nursing Home must submit to the Department of Health and Hospitals-Health Standards 45 days prior to effective date of bed change the following:
  - A letter of request/intent (needs to note that this is for private room conversion)
  - Floor plan with room numbers involved
  - Effective date of bed change which must occur on 1<sup>st</sup> day of their cost reporting quarter (Only one bed decrease request per cost reporting year can occur)
  - License application with applicable fee
  
3. The nursing facility must submit the following information to the Department of Health and Hospitals – Rate and Audit Review within 30 days of the private room conversion:
  - the number of rooms converted to Medicaid private rooms
  - the number of beds de-licensed in the conversion of the Private rooms
  - a resident listing by payer type for the converted private rooms
  - the date of the actual conversions in license
  - the date each patient was placed in the private room
  - a copy of revised license when received from Health Standards (Note: Rate and Audit Review will receive notification from Health Standards which will serve as notification of license change until such time the provider is able to obtain and forward the new license to Rate and Audit Review)

### Violations, Fines, and Penalties

1. Non-compliance of timely submission of the required documentation (as indicated above) is a Class E violation that is subject to a civil fine which shall not exceed \$50.00 for the first violation. Each subsequent Class E violation occurring within an 18 month period from the first violation (or last violation) shall not exceed \$100.00 per day.
2. Class E violations are defined as the failure of any nursing facility to submit a statistical or financial report in a timely manner as required by regulations. The failure to timely submit a statistical or financial report shall be considered a separate Class E violation during any month or part thereof in non-compliance.

## Payment

1. The nursing facility will bill using **Revenue Code 119** for the number of days the Medicaid recipient occupied the private room.
2. The additional \$5 per diem payment determination will be as follows:
  - An additional \$5 will be added to the nursing facility's case-mix rate for each Medicaid resident day in a converted private room. (The facility will not be reimbursed the additional \$5 for those days the recipient is on hospital or bed hold leave)
  - The payment will begin the first of the following calendar quarter, after the facility meets all qualifying criteria.
  - A change in ownership, major renovation, or replacement facility will not impact the \$5 additional per diem payment provided that all other provisions of the rule have been met.

## Square Footage Adjustment

1. The increase in the allowable square footage under the case-mix fair rental value calculation will be determined as follows:
  - After a qualifying conversion of semi-private rooms to private rooms, the nursing facility's square footage will be divided by the remaining licensed nursing facility beds to calculate a revised square footage per bed.
  - Allowable square footage will be determined as follows:
    - No change in total square footage if no other facility renovations or alterations changing square footage occurred.
    - Square footage changes to existing building if square footages changes concurrent with or subsequent to a private room conversion. Square footage is determined as if private room conversion did not occur.
    - Square footage changes due to new buildings will have their allowable square footage calculated as usual.
  - Resident days used in the FRV per diem calculation will be the greater of the annualized actual resident days from the base year cost report or 70% of the revised annual bed days available after the change in beds.
  - A new fair rental value per diem will be calculated using the revised allowable square footage, remaining licensed beds, and the revised minimum occupancy calculation.
  - The revised fair rental value per diem will be effective the first of the following calendar quarter, after the facility meets all qualifying criteria.