

September 20, 2006

*NF-GEN*

*06-04*

# MEDICAID BULLETIN

**TO: Nursing Facility Providers**

**SUBJECT: Change in Bed Size or Location of Participating Medicare and/or Medicaid Nursing Facilities**

The South Carolina Department of Health and Environmental Control (SCDHEC) has asked us to remind Medicaid participating facilities of the requirements for changing bed size or location of participating Medicare and/or Medicaid Nursing Facilities. SCDHHS is responsible for determining your daily Medicaid room and board rate; therefore, changes in bed size could impact your reimbursement.

## **Bed Size**

According to the Centers for Medicare and Medicaid Services' (CMS) State Operations Manual (SOM), if a nursing facility with an existing Medicare and/or Medicaid participation agreement, it may elect to change the number of beds that are certified up to **two (2)** times per cost reporting year. A facility may only change its Medicare and/or Medicaid bed size **once** on the first day of the beginning of its cost reporting year and a **second time** on the first day of a single cost reporting quarter within that same cost reporting year in one of the following combinations:

- An **increase** in its bed size on the first day of the beginning of its cost reporting year and an **increase** in its bed size on the first day of a single cost reporting quarter that falls within the same cost reporting year; or
- An **increase** in its bed size on the first day of the beginning of its cost reporting year and a **decrease** in its bed size on the first day of a single cost reporting quarter that falls within the same cost reporting year; or
- A **decrease** in its bed size on the first day of the beginning of its cost reporting year and an **increase** in its bed size on the first day of a single cost reporting quarter that falls within the same cost reporting year.

A facility cannot request a change in its bed size because it undergoes a change in ownership, or because it has been approved to change its cost-reporting year. A facility seeking a change in the number of Medicare and/or Medicaid beds must:

- Submit a written request to the South Carolina Department of Health and Environmental Control (DHEC) Bureau of Survey and Certification for the change at least forty-five (45) calendar days before:
  - The first day of its cost reporting year to effect a change on the first day of its cost reporting year; or
  - The first day of a single cost reporting quarter within the same cost reporting year at which time it seeks to change its bed size to effect a change on the first day of the designated cost reporting quarter.
- Submit floor plans identifying all areas of the facility with the current certified bed configuration and the proposed certified bed configuration in order for DHEC to determine that the proposed change is in fact, in conformance with the rules for full participation or distinct part certification, whichever applies.
- Include a reference to the cost-reporting year of the facility. If there has been a change in the cost reporting year originally selected by the facility at the time of its initial certification, submit a copy of the letter submitted to the fiscal intermediary and the fiscal intermediary's response to the request.

### **Bed Locations**

A facility may request to change its designated bed locations, as long as there is not a change in the number of beds certified to participate in the Medicare and/or Medicaid program, by submitting a written request to DHEC thirty (30) calendar days in advance of such a change. In addition, the facility must submit floor plans identifying all areas in the facility with the current certified bed configuration and the proposed certified bed configuration in order for DHEC to determine that the proposed change is in conformance with the rules for full certification or distinct part certification, whichever applies. The facility must adhere to the notification requirements found in 42 CFR 483.10(b)(II)(ii)(A) and the residents' rights requirement found in 42 CFR 483.10(o). No changes are made on a retroactive basis.

After review of the request, the facility will be notified in writing of DHEC's decision to either approve or disapprove the request prior to the effective date of the change. If approved the letter will include the effective date of the change in bed size and/or designated bed locations, the total number of beds certified, and designated bed locations. If disapproved the letter will explain the requirement(s) not met.

The complete guide on changing bed size or location and exceptions, can be found in the SOM, Chapter 3. You may download a copy at:

**<http://www.cms.hhs.gov/manuals>**.

Should you have any questions concerning this bulletin, please refer them to Nicole Mitchell-Threatt, Department Head, Department of Facility Services at (803) 898-2590.

/s/

Robert M. Kerr  
Director

RMK/bwhk

**NOTE:** To receive Medicaid bulletins by email, please send an email to [bulletin@scdhhs.gov](mailto:bulletin@scdhhs.gov) indicating your email address and contact information.  
To sign up for Electronic Funds Transfer of your Medicaid payment, please go to the following link for instructions:  
<http://www.dhhs.state.sc.us/dhhsnew/serviceproviders/eft.asp>