

MEDICAID POLICY INFORMATION SHEET

Policy Analyst: Kristi Walker

Phone Number:

Initial

Public Comment

Final

Brief description of policy:

This policy establishes a late file penalty for any complete and acceptable cost report or census data that is not filed by the original due date, or extension date, if applicable.

Reason for policy (problem being addressed):

Late submission of cost reports cause delays in calculations that require this data such as determining the nursing facility QAAP rates.

Budget implication:

budget neutral

will cost MDHHS \$, and (select one) budgeted in current appropriation

will save MDHHS \$

Is this policy change mandated per federal requirements?

No.

Does policy have operational implications on other parts of MDHHS?

Yes - Financial Operations Administration.

Does policy have operational implications on other departments?

No.

Summary of input:

controversial Some providers who have had a history of being late with this reporting requirement will now be required to pay a penalty.

acceptable to most/all groups

limited public interest/comment

Supporting Documentation:

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|--|---|
| State Plan Amendment Required: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Public Notice Required: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| If Yes, please provide status: | |
| <input type="checkbox"/> Approved <input type="checkbox"/> Pending <input type="checkbox"/> Denied | If yes, |
| Date: Approval Date: | Submission Date: |

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|---------------------------------|---|--|
| DRAFT FOR PUBLIC COMMENT | | |
| | Michigan Department of Health and Human Services | Project Number: 2418-NF Date: May 30, 2024 |

Comments Due: July 5, 2024
Proposed Effective Date: October 1, 2024
Direct Comments To: Kristi Walker
Address:
E-Mail Address: WalkerK32@michigan.gov
Phone:

Fax:

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| <p>Policy Subject: Cost Report Late File Penalty</p> <p>Affected Programs: Medicaid</p> <p>Distribution: Nursing Facilities</p> <p>Summary: This policy establishes a late file penalty for any complete and acceptable cost report or census data that is not filed by the original due date, or extension date, if applicable.</p> <p>Purpose: Late submission of cost reports cause delays in calculations that require this data such as determining the nursing facility QAAP rates.</p> <p>Cost Implications: Budget neutral</p> <p>Potential Hearings & Appeal Issues:</p> |
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|--|---|
| State Plan Amendment Required: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If yes, date submitted: | Public Notice Required: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Submitted date: |
|--|---|

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| Tribal Notification: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> - Date: May 22, 2024 |
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| THIS SECTION COMPLETED BY RECEIVER |
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|---|--|
| <input type="checkbox"/> Approved | <input type="checkbox"/> No Comments |
| <input type="checkbox"/> Disapproved | <input type="checkbox"/> See Comments Below |
| | <input type="checkbox"/> See Comments in Text |

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| Signature: | Phone Number |
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| Signature Printed: |
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| Bureau/Administration <i>(please print)</i> | Date |
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Proposed Policy Draft

Michigan Department of Health and Human Services
Behavioral & Physical Health and Aging Services Administration

Distribution: Nursing Facilities

Issued: September 1, 2024 (Proposed)

Subject: Cost Report Late File Penalty

Effective: October 1, 2024 (Proposed)

Programs Affected: Medicaid

NOTE: Implementation of this policy is contingent upon approval of a State Plan Amendment (SPA) by the Centers for Medicare and Medicaid Services (CMS).

The Michigan Medicaid State Plan and the Cost Reporting and Reimbursement Appendix of the Michigan Department of Health and Human Services (MDHHS) Medicaid Provider Manual provide guidance on the timely submission of nursing facility cost reports. The purpose of this bulletin is to inform nursing facility providers of upcoming changes being made to this policy.

Currently, a nursing facility participating in the Medicaid program must submit a Medicaid cost report to MDHHS annually as a condition of participation. An annual cost report is required for the cost reporting period, which is based on the nursing facility's fiscal reporting year end. Nursing facilities with low or no Medicaid utilization are required to submit a less than complete cost report. Providers with licensed-only beds and nursing facilities with Medicare-only beds are required to submit census data in place of a nursing facility cost report.

A cost report is considered filed timely if the complete and acceptable cost report is submitted to the Reimbursement and Rate Setting Section (RARSS) within the timeframes established by MDHHS. If the cost report is not received, a Delinquency and Medicaid Termination notice will be sent. If the cost report is not received after ten calendar days, a notice will be sent that the Medicaid payment will be terminated, and the following penalty will be assessed.

Effective October 1, 2024, if a complete and acceptable nursing facility cost report or the appropriate census data is not received by the original due date, or by an approved extension due date if applicable, the provider's interim payments will be reduced by 100 percent and the provider may be assessed a late-file penalty of 10 percent of any claims for dates of service beginning on the 15th of the month after the cost report was due until a complete and acceptable cost report is received. For providers with licensed-only beds and Medicare-only facilities, a penalty of \$20 per bed, per day will be assessed beginning on the 15th of the month after the census data is due until the data is received. This penalty may be assessed even if MDHHS has provided a written notice of termination to a facility.