



MEDICAL ASSISTANCE BULLETIN

COMMONWEALTH OF PENNSYLVANIA • DEPARTMENT OF PUBLIC WELFARE

ISSUE DATE April 28, 2006	EFFECTIVE DATE January 1, 1996	NUMBER 03-06-08
SUBJECT Ventilator Dependent Respiratory (VDR) Program Preparing Table of Supply and Equipment Costs	BY  James L. Hardy, Deputy Secretary Office of Medical Assistance Programs	

PLEASE NOTE: This Bulletin obsoletes Medical Assistance Bulletin 03-06-05, issued March 10, 2006. There was an error made on page two second to the last paragraph referencing the MA-11. This bulletin has been revised.

PURPOSE:

TO Provide nursing facilities participating in the Ventilator Dependent Respiratory (VDR) Program with clarification about the VDR Program and guidance in preparing the Table of Supply and Equipment Costs for a Ventilator Resident (Table).

SCOPE:

This bulletin applies to all nursing facilities that are licensed and enrolled in the Medical Assistance (MA) Program:

- Provider Type 03
- Have an existing or proposed ventilator unit
- Maintain a reasonable good standing in the Department of Health (DOH) surveys
- Show no pattern of cyclical non-compliance with DOH standards

The nursing facilities that provide ventilator service remain subject to the conditions and limitations described in the MA regulations Chapter 1101 (relating to general provisions), Chapter 1123 (relating to medical supplies), Chapter 1150 (relating to MA Program payment policies), and Chapter 1187 (relating to nursing facility services).

BACKGROUND:

The Department of Public Welfare (Department) believes that its case-mix payment methodology provides fair and adequate reimbursement for nursing facility services. However, the Department recognizes that in some situations a nursing facility's obligation to provide appropriate and necessary services to a MA resident requires that the facility obtain certain ventilator equipment and supplies that are unusual, expensive and otherwise extraordinary.

<p>COMMENTS AND QUESTIONS REGARDING THIS BULLETIN SHOULD BE DIRECTED TO: Office of Medical Assistance Programs Bureau of Long Term Care Programs Division of Provider Services P.O. Box 8025 Harrisburg, PA 17105-8025 877-299-2918</p> <p>Visit the Office of Medical Assistance Programs website at www.dpw.state.pa.us/omap</p>
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On January 1, 1996, the MA Program began accepting requests for VDR Program Grants from nursing facilities enrolled in the MA Program. A VDR Program Grant authorizes additional payment(s) to MA nursing facilities to ensure that MA residents who require ventilator equipment receive necessary care and treatment in accordance with their individual care plans. A VDR that is approved by the Department will be reimbursed on the basis of an individual exceptional payment grant executed by the Department and the facility for a specific resident. This reimbursement will be made in addition to and separate from the case-mix per diem rate.

PROCEDURES:

The Exceptional Durable Medical Equipment (DME) regulation 55 Pa.Code §1187.151 permits nursing facilities to receive exceptional payments that cover their "necessary, reasonable and prudent cost of the exceptional DME and the related services and items specified in the grant." The maximum allowable exceptional payment is limited to "the nursing facility's costs to acquire the exceptional DME and related services and items." 55 Pa. Code §1187.155 (b)(i).

The Exceptional Payment Agreement (Paragraph 8a) states that the nursing facility "may bill the Department for the following costs ... subject to utilization review: (a) Medical supplies/specialized durable medical equipment at combined exceptional payment rates not to exceed the amount executed by the Department."

Ventilators may be rented, rent to own, or owned by a nursing facility.

- If rented: the nursing facility may continue to bill at cost on the Table. The rental invoice must accompany the Table at least once a quarter, unless otherwise requested. The rental should be shown on the Financial and Statistical Cost Report Form (MA-11) Schedule C, Line 32, Major Movable. These rental costs should be removed from allowable costs through adjustments under Column E.
- If rent to own: the nursing facility may bill at cost on the Table until the last payment. The rental should be shown on Schedule C, line 32, Major Movable. These rental costs should be removed from allowable cost through adjustments under Column E. If during the rent to own time frame the resident dies and the ventilator is issued to another resident, the amount continues from that point until it is paid off. The serial number of the ventilator must be included on the monthly Table that accompanies the CMS-1500. The initial rent to own agreement must accompany the Table.
- If owned: the nursing facility may include the price on their MA-11, Schedule C, Line 32 under Major Movable as an allowable cost for the fiscal year in which it was purchased. The Department cannot pay nursing facilities monthly fees for use of a purchased ventilator.

Repairs or scheduled maintenance of your purchased ventilator should be included on the Cost Report Schedule C, Line 24, under Plant Operation and Maintenance. If the ventilator is replaced or removed from service, the cost of the replacement and any potential offsets to allowable cost shall be handled in accordance §1187.61.

Any other resident care such as Respiratory or Nursing Care should be reported on your MA 11 Cost Report Schedule C, Line 14.

Guidance in Preparing the Table of Supply and Equipment Costs for a Ventilator Dependent Respiratory Resident.

The nursing facility must submit monthly invoices using one of the methods listed below in addition to a Table:

- Electronically-via internet or PROMISe (if submitting in this format the Table must be received by the Department before processing may begin).

or

- Mail-CMS-1500 to: Department of Public Welfare, Provider Services
Ventilator Dependent Respiratory Program
1401 North 7th Street
6th Floor Bertolino Building
Harrisburg, PA 17102

REMINDER

- All CMS-1500 forms must have original signatures and dates.
- Always use 13 digit provider number.
- Include all other secondary insurances regardless of payment.

TABLE

- Submit monthly using the universal electronic Table authorized by the Department.
- Header to be completed.
- Indicate number of items used in whole numbers.
- Always use vendor invoice cost.
- Serial number for the Ventilator used by the resident must be documented on this form each month. If a different serial number is used from the previous month, changes should be noted with reason for the difference.
- The supplier's invoice must accompany the Table at least every six months, unless otherwise requested.

NOTE:

- Under no circumstance may the nursing facility add items or supplies to the Table of Supply and Equipment Costs for a Ventilator Resident.
- Failure to submit proper documentation may result in a denial of the invoice.

Nursing facilities that have submitted fees other than actual cost or have been overpaid for ventilators as stipulated in this bulletin must make adjustments to reflect their corrected costs as soon as possible per Pa.Code Chapter 1101. DPW may terminate this Grant and this agreement at any time per the Exception Payment Agreement, for cause, as provided by 55 Pa. Code Chapter 1101 (Paragraph 18).

Nursing facilities should direct questions regarding their Cost Report to 717-787-1171. Any questions regarding completing the CMS-1500 or Table of Supply and Equipment Costs for a Ventilator Resident should be directed to 1-877-299-2918.