

MEDICAID POLICY INFORMATION SHEET

Policy Analyst: Emily Frankman, PhD

Phone Number:

Initial ☐

Public Comment ☒

Final ☐

Brief description of policy:

This policy introduces changes to new and existing non-available bed plans (NABP) on an interim basis as permanent policy is developed.

Reason for policy (problem being addressed):

Feedback from nursing facilities and associations has revealed concerns about NABP flexibilities ending and this policy provides new NABP allowances for an interim period of 12 months.

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 - Actuarial, RARSS

Does policy have operational implications on other departments?

Yes - LARA

Summary of input:

☐ controversial (Explain)

☒ acceptable to most/all groups

☐ limited public interest/comment

Supporting Documentation:

| | | | | |
|--|----------------------------------|---------------------------------|---|--|
| State Plan Amendment Required: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | Public Notice Required: <input type="checkbox"/> Yes <input checked="" 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: | |

| | | |
|--|---------------------------------|----------------------------|
| DRAFT FOR PUBLIC COMMENT Michigan Department of Health and Human Services | | |
| | Project Number: 2535-LTC | Date: July 17, 2025 |

Comments Due: August 21, 2025
Proposed Effective Date: October 1, 2025
Direct Comments To: Emily Frankman, PhD

Address:
E-Mail Address: frankmane@michigan.gov

Phone: **Fax:**

Policy Subject: Nursing Facility Non-Available Bed Plan (NABP) Interim Policy

Affected Programs: Medicaid

Distribution: Nursing Facilities

Summary: This bulletin introduces non-available bed plan (NABP) policy on an interim basis for nursing facilities to continue their existing NABPs or to apply for new NABPs.

Purpose: To introduce changes to NABP policy on an interim basis that includes newly approved plans and allows the extension of existing plans for no more than 12 months while permanent policy is developed to address nursing facility feedback.

Cost Implications: Budget neutral

Potential Hearings & Appeal Issues: n/a

State Plan Amendment Required: Yes ☐ No ☒
If yes, date submitted:

Public Notice Required: Yes ☐ No ☒
Submitted date:

Tribal Notification: Yes ☐ No ☒ - **Date:**

THIS SECTION COMPLETED BY RECEIVER

☐ **Approved**

☐ **No Comments**

☐ **See Comments Below**

☐ **Disapproved**

☐ **See Comments in Text**

Signature:

Phone Number

Signature Printed:

Bureau/Administration *(please print)*

Date

Proposed Policy Draft

Michigan Department of Health and Human Services
Health Services

Distribution: Nursing Facilities

Issued: August 29, 2025 (Proposed)

Subject: Nursing Facility Non-Available Bed Plan (NABP) Interim Policy

Effective: October 1, 2025 (Proposed)

Programs Affected: Medicaid

Purpose

The purpose of this bulletin is to introduce changes to non-available bed plan (NABP) policy on an interim basis that includes newly approved plans and allows the extension of existing plans for no more than 12 months while permanent policy is developed to address nursing facility feedback.

Qualifying Criteria

There are no discrete area or contiguous physical arrangement requirements for the designation of a non-available bed. During this interim policy period, providers are allowed to designate individual beds within a room that are not being used for resident care as non-available. A portion of the common physical space within a room containing both non-available beds and available beds **will** be designated as a non-available bed area for cost report statistical purposes. (Refer to the Cost Reporting section of this policy below).

Daily patient census records per bed must be maintained to ensure that non-available beds are not used for patient care. Failure to maintain daily census records by bed will negate the non-available bed arrangement.

Cost Reporting

The variable and plant costs attributed to the area(s) designated as non-available and the related capital asset cost are not Medicaid reimbursable costs. The non-available rooms and bed numbers must be reported as a non-available beds cost center on the provider's Medicaid cost report. This includes entire rooms that are part of the NABP and rooms that contain both non-available and available beds.

NABPs that have rooms containing both non-available and available beds will have their square footage calculated to take plant and applicable variable costs into reimbursement consideration. The calculation will be based on the ratio of beds available (Medicaid-reimbursable) to beds non-available (not Medicaid-reimbursable).

Example: A semi-private room that has one available bed and one non-available bed will have 50% of its square footage calculated as its non-available cost area, which is not reimbursable by Medicaid. (2 total beds: 1 out of 2 non-available = 50% of square footage of that room not reimbursable for plant costs)

Example: A semi-private room with three beds where one is non-available and two are available would have 33% of its square footage calculated as its non-available cost area. (3 beds total: 1 out of 3 beds non-available = 33% of square footage of that room not reimbursable for plant costs)

Statistics related to non-available beds must be reported in the applicable cost center(s) in the Medicaid cost report. (Refer to the Non-Available Bed Plans section, Cost Reporting subsection of the Nursing Facility Cost Reporting & Reimbursement Appendix within the [Michigan Department of Health and Human Services \(MDHHS\) Medicaid Provider Manual](#) for additional details.)

Life of an Approved NABP

Renewal of existing NABPs will be extended for a period of 12 months (with an end date of September 30, 2026) if the nursing facility chooses to do so. Nursing facilities that wish to continue their NABP must contact the MDHHS Reimbursement and Rate Setting Section (RARSS) no later than 60 days after the effective date of this policy. Facilities with existing NABPs that do not contact RARSS within 60 days of this date will have their plans end-dated to September 30, 2025.

Nursing facilities without an existing NABP may apply for an NABP during this interim period with any plan ending September 30, 2026. Providers will have 60 calendar days from the date that the provider removes the bed from service to submit the written non-available bed plan request.

Non-available bed designations will be effective on the first day of the month. If the notice is not received within the required 60 calendar day period, the NABP will become effective on the first day of the month in which RARSS received the notice if the beds have not been utilized during that month.

The 24-month ineligibility period that follows the expiration of the previously approved NABP, during which providers cannot submit a new NABP, will be waived until September 30, 2026. Facilities with NABPs end-dated September 30, 2025, are eligible to submit a new NABP following expiration of the previously approved plan.

All NABPs extended or created during this period, regardless of start date, will end on September 30, 2026.

Change of Ownership

If a nursing facility changes ownership, the new owner may apply to extend the NABP by following the extension request policy as outlined in the Life of an Approved Plan subsection of this policy. This extension does not have to coincide with the nursing facility's cost reporting period.

Amending an NABP

NABP amendments will not be allowed under this interim policy.

Penalty for Use of Non-available Beds

Admitting residents to any beds designated non-available for occupancy, regardless of payer source, before the end of the NABP negates the non-available bed plan to October 1, 2025.

Returning Beds to Service

In special circumstances, such as a sudden increase in demand due to closure of a nearby facility, non-available beds may be returned to service before the end of the approved NABP **with prior approval of RARSS.**