Attachment 4.19-D
Part 1
(07/10)

The voluntary health care facility right-sizing program is intended to address excess capacity in residential health care facilities. Under this program, a residential health care facility may apply to temporarily decertify, or permanently convert, a portion of its existing certified beds to another level of care. The Commissioner of Health may approve temporary decertification and permanent bed conversions, which total no more than [2,500] 5,000 residential health care beds on a statewide basis.

A residential health care facility may temporarily decertify beds for up to five years. Temporarily decertified beds will remain on the facility's license during and after the five-year period.

The following adjustments to the calculation of Medicaid rates of payment for residential health care centers will be made for facilities that have temporarily decertified beds under this program:

- Capital cost reimbursement will be adjusted to reflect the new bed capacity;
- The facility's peer group assignment for indirect cost reimbursement will be based upon total certified beds less the number of temporarily decertified beds; and
- The facility's vacancy rate, for the purpose of determining eligibility for reserved bed day payments, will be calculated on the basis of the facility's total certified beds less the number of temporarily decertified beds. Payments for reserved bed days for facilities that have temporarily decertified beds will be in an amount that is fifty percent of the otherwise applicable payment amount for such beds.