



Policy: GG.1805
Title: **Distinct Part Nursing Facility**
Department: Medical Management
Section: Long Term Services and Supports

CEO Approval: /s/ Michael Hunn 09/24/2024

Effective Date: 01/01/1996
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Applicable to: ☒ Medi-Cal
☒ OneCare
☐ PACE
☐ Administrative

I. PURPOSE

This policy clarifies the circumstances under which CalOptima Health shall authorize Distinct-Part Nursing Facility (DP/NF) care, based on the court order of Hudman vs. Kizer.

II. POLICY

- A. The Hudman vs. Kizer Court Order applies to all Members in need of long-term Skilled Nursing Care (SNF). Long Term Care (LTC) does not include post-surgical rehabilitation or time-limited therapy services for CalOptima Health Members.
- B. DP/NF services shall be reimbursed at the DP/NF rate when the medical necessity for long term nursing care has been documented, all administrative requirements have been met, and at least one (1) of the following conditions exists:
1. There is no Free-Standing Nursing Facility (FS/NF) within fifteen (15) miles of the Member's established residence prior to admission, and the DP/NF is within a shorter travel time than the closest FS/NF able and willing to accept the Member.
 2. There is an FS/NF within fifteen (15) miles of the Member's established residence prior to admission, but after Reasonable Placement Efforts have been made, the FS/NF within that distance is unable or unwilling to accept the Member, and the DP/NF submitting the LTC Authorization Request Form (ARF) is within a shorter travel time than the closest FS/NF able and willing to accept the Member.
 3. There is no FS/NF within thirty (30) minutes actual travel time from the established residence of the immediate family Member who certifies that he or she is the family Member who will most frequently visit and help with the personal needs of the Member.
 - a. The DP/NF shall be within a shorter travel time than the closest FS/NF able and willing to accept the Member; and
 - b. A Family Certification form, if necessary, shall be submitted with the LTC ARF and a copy retained in the Member's record.
 4. There is an FS/NF within thirty (30) minutes actual travel time from the established residence of the immediate family Member who certifies that he or she is the family Member who will most

frequently visit and help with the personal needs of the Member, but after Reasonable Placement Efforts have been made, the FS/NF is unable or unwilling to accept the Member.

- a. The DP/NF shall be within a shorter travel time than the closest FS/NF able and willing to accept the Member; and
 - b. A Family Certification form, if necessary, shall be submitted with the ARF and a copy retained in the Member's record.
5. There is an FS/NF within thirty (30) minutes actual travel time from the established residence of the immediate family Member who certifies that he or she is the family Member who will most frequently visit and help with the personal needs of the Member, but, for established health reasons, is unable to travel to the FS/NF. However, the family Member is able to travel to the DP/NF. A Family Certification form, if necessary, shall be submitted with the LTC ARF and a copy retained in the Member's record.
 6. The Member has a spouse residing in the same DP/NF.
 7. The hospital's discharge planner, with input from the Member's physician, determines that the Member requires short-term nursing facility care for post-surgical rehabilitation or therapy services that are curative rather than palliative in nature.
 8. The Member is residing in a DP/NF and was admitted prior to June 1, 1992. If such Member is later hospitalized, CalOptima Health shall reinstate an LTC ARF at the DP/NF rate if the Member returns to the same DP/NF during the statutory bed hold period of seven (7) days.
 9. If the Member's attending physician documents that a transfer from a DP/NF to an FS/NF would cause physical or psychological harm to the Member, CalOptima Health shall authorize the DP/NF rate. The facility shall submit documentation (e.g., MD progress notes, letter, etc.) with the LTC ARF.
 10. At the time approval is sought, the Member has been continuously residing in a DP/NF for at least one hundred twenty (120) consecutive calendar days and payment has been made or approved during the last one hundred twenty (120) consecutive calendar days by Medicare, Medi-Cal, or other health insurance at the DP/NF rate. If such Member is later hospitalized, CalOptima Health shall reinstate an LTC ARF at the DP/NF rate if the Member returns to the same DP/NF during the statutory bed hold period of seven (7) calendar days.
- C. The facility shall submit an LTC ARF to the CalOptima Health LTSS Department within the next business day after the placement period is completed.
 - D. If a DP/NF desires of its own volition to take a Member at the FS/NF rate, CalOptima Health shall approve an LTC ARF submitted at that rate. The DP/NF shall obtain a provider number for that purpose in addition to its regular provider number.

III. PROCEDURE

- A. The DP/NF shall submit the following documentation of placement efforts to CalOptima Health's LTSS Department with an LTC ARF after the twenty-five (25) day placement period.
 1. Contact was made with a person responsible for admission decisions;

2. Name and title of each contact;
 3. Date and time of each contact;
 4. Reason why the FS/NF is not able or willing to accept the Member on the day contacted; and
 5. Date, if any, when the FS/NF would be willing and able to accept the Member.
- B. If the basis on which DP/NF authorization is sought is due to the lack of an FS/NF able and willing to take the Member after Reasonable Placement Efforts have been made, such approval shall not be given until after the completion of the placement period.
- C. Reimbursement for days of care during the placement period shall be authorized whenever DP/NF care is authorized in accordance with Section II.B. of this Policy.
- D. If Medicare or other health coverage has not approved or paid for a full one hundred twenty (120) consecutive day stay, the DP/NF shall make a reasonable placement effort for the days not covered. Documentation of placement efforts shall be submitted with the ARF.

Example: If only one hundred (100) days are covered, the DP/NF shall make placement calls for the remaining twenty (20) days excluding weekends and holidays.

- E. If a Member is retroactively determined to be eligible for Medi-Cal, the DP/NF shall make a reasonable placement effort for a twenty-five (25) day period beginning on the day notification of Medi-Cal eligibility is received. Documentation of placement efforts and date of notification of Medi-Cal eligibility shall be submitted with the LTC ARF to CalOptima Health LTSS Department.

F. Long Term Care (LTC) ARF Authorization

1. If a Member determined to need long term skilled nursing facility placement is admitted to a DP/NF from a non-hospital setting (such as home, residential care, FS/NF, or a hospital other than the DP's own hospital), or the Member was a DP/NF resident who converted from another payment source (e.g., Medicare), an ARF shall be approved at the DP/NF rate, subject to the required Reasonable Placement Efforts.
2. If a Member is admitted from an acute hospital to the hospital-based DP/NF and the required placement process has been completed and approved during the acute hospital stay, the DP/NF is not required to initiate new Reasonable Placement Efforts. The DP/NF shall indicate on the LTC ARF that Hudman vs. Kizer criteria have been met and shall submit a copy of the acute hospital placement call list.
3. If an FS/NF is able and willing to accept the Member during the twenty-five (25) day placement period, the DP/NF's LTC ARF shall be subsequently authorized for approval at the DP/NF rate until the date the FS/NF accepts the Member. The DP/NF LTC ARF shall indicate the name and type of accepting facility and the day of discharge from the DP/NF.
4. If an acute care hospital discharge planner plans to admit a Member to its own DP/NF, the admission must meet the criteria set forth under "ARF Criteria for DP/NF" before an authorization is approved.

IV. ATTACHMENT(S)

- A. CalOptima Health Long Term Care (LTC) Authorization Request Form (ARF)
- B. Family Certification Form

V. REFERENCE(S)

- A. Department of Health Care Services (DHCS) Medi-Cal Provider Manual: TAR Criteria for DP/NF Authorization (Hudman v. Kizer)
- B. Hudman vs. Kizer, Sacramento County Superior Court, Case #362172
- C. Title 22, California Code of Regulations (C.C.R.), §§ 51121, 51215, and 51335
- D. Title 42, Code of Federal Regulations (C.F.R.), § 413.65
- E. California Welfare and Institution Code, § 14091.21

VI. REGULATORY AGENCY APPROVAL(S)

Date	Regulatory Agency	Response
05/26/2016	Department of Health Care Services (DHCS)	Approved as Submitted

VII. BOARD ACTION(S)

None to Date

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	01/01/1996	GG.1805	Distinct Part Nursing Facility Authorization	Medi-Cal
Revised	02/01/2007	GG.1805	Distinct Part Nursing Facility Authorization	Medi-Cal
Revised	02/01/2016	GG.1805	Distinct Part Nursing Facility Authorization	Medi-Cal OneCare Connect
Revised	02/01/2017	GG.1805	Distinct Part Nursing Facility Authorization	Medi-Cal OneCare Connect
Revised	04/01/2018	GG.1805	Distinct Part Nursing Facility Authorization	Medi-Cal OneCare Connect
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Revised	09/01/2024	GG.1805	Distinct Part Nursing Facility Authorization	Medi-Cal OneCare

IX. GLOSSARY

Term	Definition
Authorization Request Form (ARF)	CalOptima Health's form to request authorization for Covered Services.
Distinct Part Nursing Facility DP/NF	A portion of an institution or institutional complex (e.g., a nursing home or a hospital) that is certified to provide skilled nursing facility and/or nursing facility services. A distinct part must be physically distinguishable from the larger institution and fiscally separate for cost reporting purposes. An institution or institutional complex can only be certified with one distinct part SNF and/or one distinct part nursing facility.
Free-Standing Nursing Facility (FS/NF)	An entity that furnishes healthcare services to beneficiaries and that is not integrated with any other entity as a main provider, a department of a provider, remote location of a hospital, satellite facility, or a provider-based entity.
Hudman vs. Kizer Court Order	This court order applies to all eligible Medi-Cal recipients in need of long term skilled nursing care. Long term care does not include patients needing post-surgical rehabilitation or therapy services which are time limited.
Member	A beneficiary enrolled in a CalOptima Health program.
Reasonable Placement Efforts	Means that during the 25-day time period beginning with the date that approval for the Medi-Cal Distinct Part/Nursing Facility (DP/NF) rate is first sought, the hospital or DP/NF makes placement efforts to determine whether a Free-Standing Nursing Facility (FS/NF) is able and willing and able to accept the Member.
Skilled Nursing Facility (SNF)	<p><u>Medi-Cal</u>: Any facility, place, building, agency, skilled nursing home, convalescent hospital, nursing home, or nursing facility as defined in 22 CCR section 51121, which is licensed as a SNF by California Department of Public Health (CDPH) or is a distinct part or unit of a hospital, meets the standard specified in 22 CCR section 51215 of these regulations, except that the distinct part of a hospital does not need to be licensed as a SNF, and has been certified and enrolled for participation as a SNF in the Medi-Cal program.</p> <p><u>OneCare</u>: A facility that meets specific regulatory certification requirements that primarily provides inpatient skilled nursing care and related services to patients who require medical, nursing, or rehabilitative services but does not provide the level of care or treatment available in a hospital.</p>