

Notification of Provider's Customary Charges

BACKGROUND

The Medicaid per diem rate for a provider may not exceed the provider's average customary charges to the general public for nursing facility services in semi-private rooms. V.D.R.S.R. §5.3(a). To determine whether a facility's Medicaid rate exceeds its charges, the Division must maintain current information on the facility's charges.

REQUIREMENT FOR NOTIFICATION OF CURRENT CHARGES

1. All providers must have on file with the Division a current statement of their customary charges to the general public on Form 94-2.3F, which should include room and board charges.

Charges in this context means the amount actually required to be paid by or on behalf of a resident (other than by Medicaid, Medicare Part A or the Department of Veterans Affairs). **The reported charges must reflect any discounts, contractual allowances, or other reductions in the amount actually collected.**

2. Within 10 days of the beginning of each calendar quarter, the provider shall notify the Division of any changes in its room and board charges by filing a list of the new charges and the effective date. (33 V.S.A. §908(a), V.D.R.S.R. §5.3(b).)

IMPLEMENTATION

The Division's previous practice was to use the greater of the facility's charges on file at the Division, or calculated from private pay revenues on the most recent cost report. This practice is being discontinued.

Beginning with rates for service rendered beginning January 1, 1999, the Division will be calculating the lower of rate or charges, based on the last set of charges notified to the Division pursuant to V.D.R.S.R. §5.3. The Division will no longer use information from the cost report in making the "lower of rate or charges" calculation. **It is important for those facilities that have not recently updated their schedule of charges to file the Notice of Customary Charges for services rendered after December 31, 1998, or risk having their Medicaid rates capped by old charges currently on file at the Division.**

Notification of Provider's Customary Charges (cont.)

INSTRUCTIONS FOR FORM 94-2.3F, *Notice of Change in Customary Charges*

This form must be filed only if there has been a change in the charges to non-governmental payors since the previous notification of charges. Providers may choose to make an initial filing of Form 94-2.3F even if their charges have not recently changed to ensure that the Division is basing its calculation on the most recent information. For the quarter beginning January 1, 1999, the Notice should be received at the Division on or before January 10, 1999.

Part I: Fill in this part with the facility's published per diem charges for all the different types of rooms in the facility. Show the previous published per diem charges and the new per diem charges.

Part II: Fill in this part with the total per diem amounts actually required to be paid by non-governmental payors, taking into account discounts, contractual allowances, grand-fathering or other reductions. The number of residents at each per diem amount should be noted in the last column.

Effective: December 21, 1998

s/Gary Bergeron for Veronica Celani
Veronica Celani
Director

Agency of Human Services
Division of Rate Setting
 103 South Main Street
 Waterbury, Vermont 05671-2201

Notice of Change in Customary Charges

IMPORTANT: This notice must be filed (received) at the Division of Rate Setting within 10 days of the beginning of the calendar quarter after any change to the facility's customary charges.

Name of Facility:		Effective Date of Rate Change:	
PART I			
List of per diem published charges for all types of rooms	Old Charges	New Charges	
Type 1			
Type 2			
Type 3			
Type 4			
PART II			
Amount of per diem room rate charges actually received from non-governmental payors	Old Charges	New Charge	Number of Residents
Type			
Use additional sheets if necessary to record additional per diems and to list all other services and supplies for which separate charges are made.			

Form Completed by - Signature: _____

Name: _____ Title: _____ Phone: _____

Fax: _____