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# Program Memorandum

## Intermediaries

Department of Health and  
Human Services (DHHS)  
HEALTH CARE FINANCING  
ADMINISTRATION (HCFA)

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Transmittal A-00-39

Date: JULY 13, 2000

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### CHANGE REQUEST 1215

**SUBJECT: Monitoring Process for Skilled Nursing Facility Exception Determinations**

In the *Federal Register* Vol. 64, No. 150 published on August 5, 1999, the Health Care Financing Administration (HCFA) published a final rule. This final rule revised the procedures for granting exceptions to the cost limits for skilled nursing facilities (SNFs). Specifically, this final rule revised §413.30(c) of the regulations to give all intermediaries the authority to make final determinations on SNF exception requests under §413.30(c)(2).

In the preamble to the regulatory provision, HCFA indicated that it would monitor the performance of intermediaries. The purpose of this letter is to notify you of the information that will be needed to implement this monitoring process.

From the effective date of this final rule through December 31, 1999, we are requiring that all intermediaries submit a report on all final determinations for SNF exception requests. We are requiring that this report be submitted within 30 working days of the effective date on this Program Memorandum (PM). Thereafter, we are requiring a quarterly report, on a calendar basis, with the same information for final determinations made during that quarter. We are requiring that these reports be submitted within 15 working days of the end of each calendar quarter. We are requiring that the following information related to the processing of these requests under Transmittal 378, Chapter 2530 be included with each report:

**Provider Number**  
**Provider Name**  
**Fiscal Year End**  
**Per Diem Exception Requested**  
**Per Diem Exception Approved**  
**Aggregate Amount Approved**  
**Provider Type (FS/HB)**  
**Provider Location (Urban/Rural)**  
**Total Inpatient Days**  
**Medicare Days**  
**Average Length of Stay**  
**Ancillary Cost Per Day**  
**Occupancy**  
**SNF Routine Cost Per Day**  
**Routine Cost Limit**  
**112% Peer Group Mean (HB only)**  
**Nursing Hours Per Day by Classification (RN, LPN, and Other)**

As part of the monitoring process, HCFA will review these reports and may contact the intermediary to obtain and review in depth selected exception requests contained in the report to ensure compliance with HCFA's policies and instructions. To facilitate this process, we are requesting that each intermediary designate one contact person to facilitate the dissemination of any corrective action which may be necessary as a result of HCFA's review of intermediary determinations in the SNF exceptions' process.

The quarterly reports can be faxed to Joseph Menning at (410) 786-0765, e-mailed to Joseph Menning at [jmenning@hcfa.gov](mailto:jmenning@hcfa.gov), or mailed to:

Health Care Financing Administration  
ATTN: Joseph Menning  
7500 Security Boulevard, C5-06-05  
Baltimore, Maryland 21244

**The *effective date* for this PM is July 13, 2000.**

**The *implementation date* for this PM is 30 working days from the effective date and then quarterly thereafter.**

**These instructions should be implemented within your current operating budget.**

**This PM may be discarded after June 30, 2001.**

**If you have any questions concerning this PM, please contact Joseph Menning at (410) 786-4594 or you may e-mail your questions to [jmenning@hcfa.gov](mailto:jmenning@hcfa.gov).**