

**To:** Nebraska Medicaid Managed Care Plans  
**From:** Matthew Ahern, Interim Director *MLA*  
**Date:** February 7, 2024  
**Re:** Hospital Inpatient Nursing Facility Level of Care (Hospital IP NF LOC) Per Diem Rate

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This Health Plan Advisory is being issued to notify the Nebraska Medicaid health plans of upcoming changes to reimbursement for Medicaid recipients, who no longer meet hospital level of care and meet nursing facility level of care but cannot be appropriately discharged.

### Background

As a result of [LB227](#)'s passage in the 2023 Nebraska Legislative Session, Nebraska Revised Statute 68-1009 ([Neb. Rev. Stat. § 68-1009](#)) was enacted.

This statute provides Medicaid reimbursement to acute care hospitals at one hundred percent (100%) of the statewide average nursing facility per diem rate for individuals who are actively Medicaid eligible during an inpatient stay.

These individuals no longer require acute inpatient care and require discharge to a nursing facility for further care. If the individual cannot be discharged due to the conditions noted within Neb. Rev. Stat. § 68-1009, hospitals enrolled in Nebraska Medicaid at the time services are provided are eligible for the 100% statewide average nursing facility per diem payment.

### Reimbursement & Billing

Eligible inpatient services provided between September 2, 2023, through December 31, 2023, will be reimbursed at the statewide average nursing facility per diem rate, which is \$264.13 for services.

For services provided between January 1, 2024, and December 31, 2024, the payment rate is \$278.37. An additional health plan advisory will be published annually thereafter, indicating the new payment rate for each new calendar year.

A prior authorization will be required for this payment from the applicable Medicaid payer source. The prior authorization review process will confirm that the individual receiving care meets the criteria listed in Neb. Rev. Stat. § 68-1009.

Additionally, the following billing guidance must be followed:

- Providers will submit a UB-04 (Institutional) claim billing with procedure code S9976 (Lodging, per diem, not elsewhere classified) with revenue code 160 (Other General Room/Board) and number of units based on the number of days the client was in the hospital and met the conditions of payment as defined in the legislative bill.
- The hospital will need to submit a **separate claim** from the IP claim where the member met the hospital's acute level of care through the period in which they were ready for discharge.
- Both claims (the hospital acute level of care claim and the Hospital IP NF LOC claim) will need to reflect the same admission date.

- The hospital acute care claim should reflect discharge status code 70 (discharged/transferred to another type of health care institution not defined elsewhere in this list).
- The Hospital IP NF LOC claim should reflect admit/point of origin code D (Transfer from One Distinct Unit of the Hospital to Another Distinct Unit of the Same Hospital).
- For services and items that are carved out of the per diem payment, please refer to [471 Nebraska Administrative Code \(NAC\) Chapter 46, section 004](#).

## Implementation

Implementation for Medicaid recipients with a Managed Care Medicaid payor source will occur on **April 1, 2024**.

Implementation for Medicaid recipients who are not enrolled with a Managed Care Medicaid (Fee-For-Service/FFS) payer source will occur on **July 1, 2024**.

## Timely Filing

Timely filing of Nebraska Medicaid claims is six (6) months from the date of service as indicated in [471 NAC, Chapter 3](#). The application of timely filing rules will be adjusted as follows:

- For recipients with an authorized Hospital IP NF LOC **Medicaid Managed Care** stay that occurred between September 2, 2023, through March 31, 2024, **Day 1 of timely filing will be April 1, 2024**.
- For recipients with an authorized Hospital IP NF LOC **Medicaid FFS** stay that occurred between September 2, 2023, through June 30, 2024, **Day 1 of timely filing will be July 1, 2024**.

If you have questions regarding this advisory, please contact Danny Vanourney, Rates and Reimbursement Administrator, at (402) 471-3368, or via email at: [danny.vanourney@nebraska.gov](mailto:danny.vanourney@nebraska.gov). Health plans should also copy their contract manager.

Health Plan Advisories, such as this one, are posted on the DHHS website at <https://dhhs.ne.gov/Pages/Heritage-Health-Plan-Advisories.aspx>. Please subscribe to the page to help you stay up to date regarding new Health Plan Advisories.