

ATTENTION PRIVATE DUTY NURSING PROVIDERS:

Reminder Distribution of Medically Fragile Enhanced Rate

Based on legislative and regulatory authority, private duty nursing providers were notified in 2007 that Medicaid pays an enhanced fee to eligible independent and agency Private Duty Nursing (PDN) providers of continuous pediatric private duty nursing services. The enhanced fee is a 30 percent add-on to payable claims submitted by enrolled PDN providers, who have submitted appropriate attestation to have Specialty 579 added to their enrollment files. Payment of the enhanced fee began in August 2007 with dates of service retroactive to January 1, 2007.

The Department notified providers that the legislative intent is to pay the entire 30 percent add-on, net of any fixed costs, to the nurses directly providing the service to the patient. Examples of fixed costs include the nursing agency (employer) share of Social Security, tax withholdings and other pro rata premiums such that after payment of such fixed costs, the nursing agency provider neither gains nor loses as a result of the 30 percent add-on. Nursing agency providers were advised to review their payment records and ensure that any add-on monies received are paid to their nurses in accordance with the above clarification.

There are no other allowable uses of the 30 percent add-on. The 30% rate enhancement can only be paid to the qualified private duty nurse who actually provided the nursing services to the medically fragile child, for which Medicaid has reimbursed the Licensed Home Care Services Agency (LHSCA). Rates of payment for continuous nursing services provided by a LHSCA to a medically fragile child, whether provided by registered nurses or licensed practical nurses who are employed by or under contract with such agencies, are to be reimbursed with a rate enhancement of 30% added on to the standard rate. LHSCA's are required to use such enhanced rates to increase payments to registered nurses and licensed practical nurses who provide such services. The add-on cannot be retained by the LHSCA, and can only be paid to the nurse providing the services, because the 30% add-on to the rate constitutes reimbursement only for services actually provided to a medically fragile child. The relevant legislative authority characterizes the add-on as an increased rate for services rendered to the medically fragile child, and provides that the enhanced rate is payable only to the qualified private duty nurse.

In cases where a nurse is no longer employed by the agency receiving the enhanced rate, the agency must locate the nurse and pay her/him those amounts. If the agency has difficulty locating a nurse, New York State Labor Law, Department of Labor regulations, State Finance Law, Abandoned Property Law, and other state statutes and regulations would apply to the proper disposition of amounts due to the nurse. These amounts cannot be aggregated with or co-mingled with other funds and then used by the agency to pay any other nurses, even for other services rendered to the same or other medically fragile patients. There are no other appropriate uses for these funds. Sign-on hiring fees, quality performance bonuses, raises for agency nurses, payment to keep a nurse on the case while the patient is hospitalized, or payment to nurses who did not actually provide the specific services for which the Medicaid reimbursement is paid to the agency provider are not appropriate uses for these funds.

Questions? Please contact the Provider Relations and Utilization Management Unit at (800) 342-3005 Option 1.