A Community Nursing Home (CNH) Provider Agreement is formed when VA agrees to place a patient in the nursing home that meets all terms and conditions described in the following and the nursing home agrees to accept the veteran. All terms and conditions of this agreement shall apply during such time as a veteran remains in that nursing home at the expense of VA. Provider Agreements are shared among VA facilities, as needed for patient placement. Provider Agreements will require an annual renewal at which time the rate schedule may be adjusted.

This document is self-contained, as authorized by Pub. L. 108-170. Additional provisions, typically found in VA contract formats, do not apply to these agreements.

SECTION A - CRITERIA

The following criteria will be agreed to by the CNH Provider for the agreement to be in effect:

A.1 MEET THE CENTERS FOR MEDICARE & MEDICAID SERVICES (CMS) REQUIREMENTS FOR LONG TERM CARE FACILITIES

The Community Nursing Home will meet the requirements that an institution must meet in order to qualify to participate as a SNF in the Medicare program, and/or as a nursing facility in the Medicaid program. Certification requirements detailed in CFR Title 42(4) Part 483 serve as the basis for survey activities for the purpose of determining whether a facility meets the requirements for participation in Medicare and Medicaid.

A.2 PROVIDE QUALITY CARE AS MEASURED BY CMS SURVEY INSTRUMENTS

The Community Nursing Home will demonstrate that it complies with the Centers for Medicare and Medicaid (CMS) mandated regulatory requirements for patient health, life safety code and quality of care. VA will utilize current CMS quality measures and state survey statement of deficiencies in determining acceptable quality of care compliance with this agreement.

A.3 ALLOW VA REVIEW OF FACILITY AND PATIENT CARE MONITORING

The VA, at its sole option, will monitor the professional care and administrative management of services provided to VA beneficiaries under this agreement, through one or any combination of the following methods; reviews of state agencies reports, on-site review of the nursing home by VA staff, and/or on-site monitoring of VA patients. It is agreed that the nursing home shall provide VA with copies of all state agency reports and quality measures and cooperate fully with VA's quality improvement-quality assurance program functions relating to this agreement, including VA's on-site inspection and monitoring. All medical records concerning the veteran's care in the nursing home will be readily accessible to VA. Upon discharge or death of the patient, medical records will be retained by the nursing home for a period of at least three years following termination of care.
A.4 APPLICABLE FEDERAL LAWS ON EMPLOYMENT AND HIRING
Provider will comply with all applicable Federal laws concerning employment and hiring practices including the Fair Labor Standards Act, National Labor Relations Act, the Civil Rights Acts, the Age Discrimination in Employment Act of 1967, the Rehabilitation Act of 1973, the Vocational Rehabilitation Act of 1973, Worker Adjustment and Retraining Notification Act, Sarbanes-Oxley Act of 2002, Occupational Safety and Health Act of 1970, Immigration Reform and Control Act of 1986, Consolidated Omnibus Reconciliation Act, the Family and Medical Leave Act, the Americans with Disabilities Act, the Uniformed Services Employment and Reemployment Rights Act, the Immigration and Nationality Act, the Consumer Credit Protection Act, the Employee Polygraph Protection Act, and the Employee Retirement Income Security Act.

A.5 SECURITY OF VETERAN INFORMATION
CNHs are covered entities under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and thus must comply with all HIPAA privacy and security regulations.

SECTION B – RATE STRUCTURE AND REIMBURSEMENT

B.1 RATE DETERMINATION
VA per diem rates are based on the Medicare prospective payment rates (PPS) for skilled nursing facilities (SNFs). The rates are updated annually using the 53-group RUG-III case mix classification system. The VA rate schedule combines the RUG-53 groups into 8 categories and uses a geographic wage index adjustment. The VA rates apply to all costs (routine, ancillary, and medication) of covered SNF services.

SNF services covered in the per diem include:

- Semi-Private Room
- Meals
- Nursing Care
- Rehabilitation Therapy (including physical, speech and occupational therapy)
- Respiratory Therapy
- Medical and Nursing Supplies (including items such as urological and colostomy supplies)
- Oral and Injectable Medications
- Most Items of Durable Medical Equipment (including ventilators)
- X-Rays
- Routine Laboratory Tests, and,
- Routine Physician Visits.

Routine Laboratory Tests are:
- CBC
- Chem Panels
- PSA
- Urinalysis
- Protime/INR
- Glucose
- Liver Panel
- Lipid Panel
- TSH
There are certain exclusions that may require special per diem rates. These services include:

- TPN, IV therapy and chemotherapy, including solutions. NOTE: The pump, tubing and related medical supplies should be included in the per diem rate.
- Specialized medical equipment, such as air fluidized beds.
- Transportation, including ambulance transportation.
- Certain extraordinary high cost items that are currently included in the Medicare SNF PPS rate, such as certain outpatient surgical procedures, custom prosthetics and orthotics.
- Specialized care for SNF residents with AIDS
- High drug costs
- Bariatric care equipment, including, but not limited to specialized beds, bathing and lifting equipment.

The per diem rate will apply throughout the one-year term of this agreement, unless a new rate scheduled is published by VA. The VA must be notified of any changes in care that move the patient to a new care level on the rate schedule. VA authorization is required prior to the care level rate change becoming effective.

High drug cost is defined as oral medication costs, priced at the average wholesale price (AWP) plus a 3% transaction fee/prescription, which exceed $60.00/day for a period of 30 days. In these cases, VA will make provision by supplying the medication or making additional payment. VA must receive advance notification of high cost drug cases for authorization.

**B.2 REIMBURSEMENT**

All payments by the VA to the provider will be made by electronic funds transfer. Invoices shall be submitted promptly to the authorizing facility by the 15th calendar day following the end of the month in which services were rendered. All invoices must include the full name and address of the nursing home and shall reflect the patient's name, social security number, number of days billed, level of care category, and per diem rate. Failure to include this information may result in delayed payments.

Payments made by VA under this agreement constitute the total cost of nursing home care. No additional charges will be billed to Medicare Part B, either by the nursing home or any third party furnishing services or supplies required for such care, unless and until specific prior authorization in writing is obtained from the VA facility authorizing placement. Except for the billing of personal comfort items as defined in the Center for Medicare and Medicaid Services Skilled Nursing Facility Manual (Publication 12), there will also be no additional charges billed to the beneficiary or his/her family. The provider will not solicit contributions, donations, or gifts from patients or family members.

**SECTION C – ADMISSION AUTHORIZATION**

Authorizations for nursing home care will be accomplished on VA Form 10-7078, Authorization and Invoice for Medical and Hospital Services. Each authorization validity period will be from the initial effective date to disposition. Any extension to the original authorization validity period, regardless of the number of days, requires a new VA Form 10-7078. When appropriate, a copy of VA Form 10-1000, Discharge Summary, and other pertinent documents will be forwarded to the nursing home so that they are available when the patient arrives. A nursing home retains the right to refuse to accept any patient when it is anticipated that the services required would exceed the scope of the provider's ability to meet the medical needs of the veteran.
SECTION D – REHOSPITALIZATION

Veterans receiving care under this agreement, who begin to require acute hospital care, will be readmitted to an appropriate VA facility, as determined and authorized by the VA. When such admission is not feasible because of the nature of the emergency, it is agreed that hospitalization in a non-Federal facility may be accomplished provided VA authorization is obtained. VA authorization must be obtained as soon as possible and not to exceed 72 hours of admission to the non-Federal facility. If hospitalization of a non-emergency nature is required, it is agreed that readmission to a VA facility will be accomplished as soon as the patient’s condition is sufficiently stabilized to permit admission to VA.

SECTION E – BED HOLD ARRANGEMENTS

If a veteran is re-hospitalized from the community nursing home, the nursing home and VA facility will arrange to hold a bed in reserve, when such a decision is in the best interest of the patient and the VA. The number of covered bed hold days will not exceed 2 days per episode of hospitalization.

Bed hold for therapeutic leave days must be part of a therapeutic plan and approved by the VA, and limited to 2 days per month. Exceptions may be approved by the VA facility director or designee.

Reimbursement for all bed holds will be 70% of the prevailing case mix rate.

SECTION F – DEATH OF VA BENEFICIARY

In the event a VA beneficiary receiving nursing home care under this agreement dies, the nursing home will promptly notify the VA office authorizing admission and immediately assemble, inventory, and safeguard the patient's personal effects pending further guidance by VA.

SECTION G – TERMINATION OF SERVICES

VA reserves the right to remove any or all VA residents from the nursing home at any time, when it is determined to be in the best interest of VA or the patients and after VA has discussed issues of concern with CNH staff, the Veteran, and his/her family or guardian(s) as appropriate. In those cases of serious deficiencies affecting the health or safety of veterans, or in cases of continued uncorrected deficiencies, VHA will take one or more of the following actions:

(a) Increase VA staffing monitoring until the state survey agency clears the deficiency.
(b) Suspend placement of veterans to the nursing home.
(c) Remove or transfer veterans under the agreement from the nursing home.
(d) Not renew the agreement.
(e) Terminate the agreement.

VA and the nursing home may choose to end the agreement by mutual consent. This may be accomplished in 14 days, provided satisfactory placements have been found for Veterans at the nursing home. To the extent that this agreement is terminated, VA will be liable only for payment for services rendered prior to the effective date of termination.
SECTION H – DISPUTE RESOLUTION

CNH Providers will notify the CNH Coordinator of any disputes regarding level of care, covered services, or other agreement issues within another 5 business days of being noted by CNH staff. Any disputes unable to be resolved between the CNH provider and the VA CNH Coordinator will be referred to the VA Medical Center Director or designee within an additional 5 business days. If the Medical Center Director or designee resolution is not satisfactory for the CNH provider, they may appeal that decision within 5 days to the VA Office of Geriatrics and Extended Care (114) in VA Central Office for a final resolution. VA will notify the CNH of the final decision within 3 business days of when the appeal was received.