

# MDS: Change of Ownership and Resident Transfers

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*This article from LeadingAge's MDS expert consultant, Judy Wilhide-Brant, RN, provides guidance on RAI Manual Section 2.2 CMS Designation of the RAI for Nursing Homes relative to Changes of Ownership and Resident Transfers, including transfers due to natural disasters.*

In Section 2.2 CMS Designation of the RAI for Nursing Homes, we find some useful information for certain situations.

## **Newly-Certified Nursing Homes**

Nursing Homes must admit residents and operate in compliance with certification requirements before a certification survey can be conducted.

Nursing homes must meet specific requirements (42 Code of Federal Regulations, Part 483 Requirements for States and Long-Term Care Facilities, Subpart B), in order to participate in the Medicare and/or Medicaid programs.

The completion and submission of OBRA and/or PPS assessments are a requirement for Medicare and/or Medicaid long-term care facilities. However, even though OBRA does not apply until the provider is certified, facilities are required to conduct and complete resident assessments prior to certification as if the beds are already certified.\*

Prior to certification, although the facility is conducting and completing assessments, these assessments are not technically OBRA-required, but are required to demonstrate compliance with certification requirements. Since the data on these pre-certification assessments was collected and completed with an

ARD/target date prior to the certification date of the facility, CMS does not have the authority to receive this into the QIES ASAP system. Therefore, these assessments cannot be submitted to the QIES ASAP system.

Assuming a survey is completed where the nursing home has been determined to be in substantial compliance, the facility will be certified effective the last day of the survey and can begin to submit OBRA- and PPS-required assessments to the QIES ASAP system.

- For OBRA assessments, the assessment schedule is determined from the resident's actual date of admission. Please note, if a facility completes an Admission assessment prior to the certification date, there is no need to do another Admission assessment. The facility will simply continue with the next expected assessment according to the OBRA schedule, using the actual admission date as Day 1. Since the first assessment submitted will not be an Entry or OBRA Admission assessment but a Quarterly, OBRA Discharge, etc., the facility may receive a sequencing warning message, but should still submit the required assessment.
- For PPS assessments, please note that Medicare cannot be billed for any care provided prior to the certification date. Therefore, the facility must use the certification date as Day 1 of the covered Part A stay when establishing the Assessment Reference Date (ARD) for the Medicare Part A SNF PPS assessments.

\*NOTE: Even in situations where the facility's certification date is delayed due to the need for a resurvey, the facility must continue conducting and completing resident assessments according to the original schedule.

## **Adding Certified Beds**

If the nursing home is already certified and is just adding additional certified beds, the procedure for changing the number of certified beds is different from that of the initial certification.

Medicare and Medicaid residents should not be placed in a bed until the facility has been notified that the bed has been certified.

## **Change in Ownership**

There are 2 types of change in ownership transactions. The more common situation requires the new owner to assume the assets and liabilities of the prior owner and retain the current CCN number. In this case:

- The assessment schedule for existing residents continues and the facility continues to use the existing provider number.
- Staff with QIES user IDs continue to use the same QIES user IDs.
- Example: If the Admission assessment was done 10 days prior to the change in ownership, the next OBRA assessment would be due no later than 92 days after the ARD (A2300) of the Admission assessment and would be submitted using the existing provider number. If the resident is in a Part A stay, and the 5-day PPS assessment was combined with the OBRA Admission assessment, the next PPS assessment could be an Interim Payment Assessment (IPA), if the provider chooses to complete one, and would also be submitted under the existing provider number.

There are also situations where the new owner does not assume the assets and liabilities of the previous owner. In these cases:

- The bed is no longer certified.
- There are no links to the prior provider, including sanctions, deficiencies, resident assessments, Quality Measures, debts, provider number, etc.
- The previous owner would complete an OBRA Discharge assessment – return not anticipated, thus code A0310F = 10, A2000 = date of ownership change, A1700 = 1 (admission), and A1800 = 02.
- Staff who worked for the previous owner cannot use their previous QIES user IDs to submit assessments for the new owner as this is now a new facility. They must register for new user IDs for the new facility.
- Compliance with OBRA regulations, including the MDS requirements, is expected at the time of survey for certification of the facility with a new owner. See information above regarding newly-certified nursing homes.

## **Resident Transfers**

When transferring a resident, the transferring facility must provide the new facility with necessary medical records, including appropriate MDS assessments, to support the continuity of resident care.

When admitting a resident from another nursing home, regardless of whether or not it is a transfer within the same chain, a new Admission assessment must be done within 14 days. The MDS schedule then starts with the new Admission assessment and, if applicable, a 5-day assessment.

The admitting facility should look at the previous facility's assessment in the same way they would review other incoming documentation about the resident for the purpose of understanding the resident's history and promoting continuity of care. However, the admitting facility must perform a new Admission assessment for the purpose of planning care within that facility to which the resident has been transferred.

When there has been a transfer of residents as a result of a natural disaster (e.g., flood, earthquake, fire) with an anticipated return to the facility, the evacuating facility should contact their Regional Office, State Agency, and Medicare Administrative Contractor (MAC) for guidance.

When there has been a transfer as a result of a natural disaster (e.g., flood, earthquake, fire) and it has been determined that the resident will not return to the evacuating facility, the evacuating provider will discharge the resident return not anticipated and the receiving facility will admit the resident with the MDS cycle beginning as of the admission date to the receiving facility. For questions related to this type of situation, providers should contact their Regional Office, State Agency, and MAC for guidance.

More information on emergency preparedness can be found on the [CMS Website](#).

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