

CUSTODIAL NURSING FACILITY PLACEMENT (MEDICAID)

Title: Custodial Nursing Facility Placement Policy (the “Policy”)

Applies to: This Policy applies to Facilities.

Scope: MLTC and other Plan product lines for which Custodial Nursing Facility Placement requires Institutional Medicaid Approval and a Level-of-Care Determination, as applicable.

Policy Owner: Health Plan Operations

Date Issued: October 30, 2026

Effective Date: Thirty (30) days from the Date Issued, unless a different notice period is required under the applicable Provider Agreement, in which case this Policy will become effective upon the expiration of that required notice period.

A. Purpose

The purpose of this Policy is to establish Facility requirements related to Custodial Nursing Facility Placement and to ensure that Members obtain the Institutional Medicaid Approval and Level-of-Care Determination required under applicable New York State requirements. This Policy sets forth the Facility’s responsibilities in pursuing and maintaining the approvals required for Custodial Nursing Facility Placement and reserves the Plan’s rights regarding Authorization, payment, recoupment, and other available remedies when a Facility fails to comply with those responsibilities.

B. Facility Responsibilities

Under this Policy, the Facility is responsible for timely initiating, completing, and following up on all forms and documentation required for the Long-Term Placement Determination. The Facility must:

1. Timely submit all required forms and supporting documentation to the applicable Governmental Agency;
2. Submit required documentation, including Proof of Submission and applicable status updates, to the Plan at custodialcaredocs@vnshealth.org, in accordance with this Policy (see Section C below) and any related Plan instructions;
3. Promptly respond to requests for additional information and take reasonable steps to resolve any deficiency or rejection; and

4. Notify the Plan of a Member's discharge and submit any required discharge notice to the applicable Governmental Agency.

C. Documentation Submitted to the Plan

All documentation required to be submitted to the Plan under this Policy must be sent by the Facility to custodialcaredocs@vnshealth.org. Required documentation may include, but is not limited to:

1. the MAP-2159i, LDSS-3559, or other applicable form, together with Proof of Submission to the applicable Governmental Agency;
2. Member death notifications and supporting documentation;
3. Member plan-change notifications and supporting documentation; and
4. discharge-to-community notifications and supporting documentation.

The Facility must include sufficient information to identify the applicable Member and the nature of the submission and must comply with all applicable privacy, security, and Plan submission requirements.

D. Authorization Beyond 90 Days:

For a Member who does not have the required Institutional Medicaid Approval at admission, the Plan shall issue an Authorization of up to ninety (90) days pending governmental review. Continued Authorization beyond that period may be conditioned on the Facility demonstrating that it timely submitted all required documentation and is actively pursuing the Long-Term Placement Determination.

E. Condition of Continued Authorization and Payment

Timely submission of all documentation required for the Long-Term Placement Determination, timely submission to the Plan of Proof of Submission and other documentation required under this Policy, and continued cooperation with the governmental review process are conditions of continued Authorization and payment for Facility services beyond the initial 90-day Authorization period. All such documentation submitted to the Plan must be sent to custodialcaredocs@vnshealth.org.

F. Failure to Comply

If the Facility does not timely submit required documentation to the applicable Governmental Agency or to the Plan at custodialcaredocs@vnshealth.org, does not cooperate with the Long-Term Placement process, or does not provide requested Proof of Submission, the Plan may decline to extend the Authorization beyond the initial period and may pursue corrective action or any other remedy available under the Provider Agreement or applicable law.

G. Recovery of Avoidable Costs

To the extent the Facility's failure to timely pursue or complete the Long-Term Placement process causes the Plan to incur Avoidable Costs, the Plan reserves the right to recover those amounts through recoupment, offset, or any other contractual or legal remedy available.

H. Discharge Process

The Facility must promptly notify the Plan when a Member is discharged or otherwise ceases to reside at the Facility. The Facility must timely complete and submit all required discharge notices and forms to the applicable LDSS or other Governmental Agency, in accordance with applicable requirements. The Facility must submit the applicable discharge-to-community notification and supporting documentation, including Proof of Submission where applicable, to the Plan at custodialcaredocs@vnshealth.org. The Facility must also promptly respond to any follow-up request concerning the Member's discharge.

I. No Guaranty of Payment

This Policy and any related policies serve as a guide to the Plan's Authorization guidelines. Final Authorization and payment decisions depend on benefit coverage, applicable state and federal requirements, and the Provider Agreement.

J. Timely Filing Rules Apply

All submissions are subject to timely filing requirements set forth in the Provider Agreement and the Plan's Provider Manual.

Definitions

Authorization means the Plan's approval for specified services and dates of service. Authorization is not a guarantee of payment and remains subject to eligibility, coverage, contractual, and other applicable requirements.

Avoidable Costs means amounts incurred by the Plan that would not otherwise have been payable but for the Facility's failure to timely pursue, complete, document, or cooperate with the Long-Term Placement process.

Custodial Nursing Facility Placement means long-term residence in a nursing facility after a Member no longer requires a short-term skilled or rehabilitative level of care, subject to applicable Medicaid eligibility and Level-of-Care requirements.

Facility means a nursing facility contracted with the Plan and subject to this Policy.

Institutional Medicaid Approval means a determination by the applicable Governmental Agency that a Member satisfies the financial and other eligibility requirements for Medicaid coverage of long-term nursing facility services.

Level-of-Care Determination means a determination by the applicable Governmental Agency that a Member meets the clinical criteria for nursing facility services.

Local Department of Social Services (LDSS) means the local governmental agency responsible for administering Medicaid eligibility, including the New York City Human Resources Administration (HRA), where applicable.

Long-Term Placement Determination means the Institutional Medicaid Approval and Level-of-Care Determination required for Medicaid coverage of Custodial Nursing Facility Placement.

Member means an individual enrolled in a Plan product to which this Policy applies.

Plan means the applicable VNS Health Medicaid managed care, Managed Long Term Care (MLTC), or other VNS Health plan subject to this Policy.

Proof of Submission means documentation reasonably sufficient to establish that required forms and supporting materials were submitted to the applicable Governmental Agency, including the submission date and available confirmation, receipt, identifying information, or tracking information. Proof of Submission required under this Policy must be submitted to the Plan at custodialcaredocs@vnshealth.org

Provider Agreement means the contract between the Facility and the Plan, including applicable amendments, manuals, policies, and incorporated materials.

Governmental Agency means the LDSS, HRA, or other governmental entity responsible for the applicable Medicaid eligibility or Level-of-Care Determination.

Related Policies and Materials

N/A

References

The Plan's Provider Manual

[Resources for Health Professionals - VNS Health | Health Plans](#)

New York Social Services Law § 366

Eligibility — Medical Assistance for Needy Persons

<https://www.nysenate.gov/legislation/laws/SOS/366>

18 NYCRR § 505.9 Residential Health Care

<https://regs.health.ny.gov/content/section-5059-residential-health-care>

18 NYCRR Part 540 Authorization of Medical Care

<https://regs.health.ny.gov/content/part-540-authorization-medical-care>

New York State Department of Health Medicaid Reference Guide and Related Eligibility Directives

https://www.health.state.ny.us/health_care/medicaid/reference/mrg/index.htm

https://www.health.ny.gov/health_care/medicaid/publications/