§ 403.746 Condition of participation: Utilization review.

The RNHCI must have in effect a written utilization review plan to assess the necessity of services furnished. The plan must provide that records be maintained of all meetings, decisions, and actions by the utilization review committee.

(a) Standard: Utilization review plan. The utilization review plan must contain written procedures for evaluating the following:

(1) Admissions.
(2) Duration of care.
(3) Continuing care of an extended duration.
(4) Items and services furnished.

(b) Standard: Utilization review committee. The committee is responsible for evaluating each admission and ensuring that the admission is necessary and appropriate. The utilization review plan must be carried out by the utilization review committee, consisting of the governing body, administrator or other individual responsible for the overall administration of the RNHCI, the supervisor of nursing staff, and other staff as appropriate.

(c) Standard: Utilization review committee role in RNHCI home services. In addition to the requirements in paragraphs (a) and (b) of this section, the utilization review committee is responsible for:

(1) The admission, and at least every 30 days, the continued care review of each patient in the RNHCI home services program.
(2) Oversight and monitoring of the home services program, including the purchase and utilization of designated durable medical equipment items for beneficiaries in the program.

§ 403.750 Estimate of expenditures and adjustments.

(a) Estimates. CMS estimates the level of expenditures for services provided under this subpart before the start of each FFY beginning with FFY 2000.

(b) Adjustments to payments. When the level of estimated expenditures is projected to exceed the FFY trigger level as described in paragraph (d) of this section, for the year of the projection, payments to RNHCIs will be reduced by a proportional percentage to prevent estimated expenditures from exceeding the trigger level. In addition to reducing payments proportionally, CMS may impose alternative adjustments.

(c) Notification of adjustments. CMS notifies participating RNHCIs before the start of the FFY of the type and level of expenditure reductions to be made and when these adjustments will apply.

(d) Calculation of trigger level. The trigger level for FFY 1998 is $20,000,000. For subsequent FFYs, the trigger level is the unadjusted trigger level increased or decreased by the carry forward as described in §403.754(b). The unadjusted trigger level is the base year amount (the unadjusted trigger level)