



# STATE OF NEW YORK DEPARTMENT OF HEALTH

Corning Tower

The Governor Nelson A. Rockefeller Empire State Plaza

Albany, New York 12237

Antonia C. Novello, M.D., M.P.H., Dr.P.H.  
*Commissioner*

Dennis P. Whalen  
*Executive Deputy Commissioner*

August 5, 2005

Dear CEO/CFO/Administrator,

The new section 2802-a of the Public Health Law, enacted as part of the 2005-2006 State Budget authorizing the Commissioner to approve up to five general hospitals to operate transitional care units (TCUs) on a demonstration basis. This letter explains the purpose of the demonstration program, the application process, and what will be required of providers selected to operate a TCU under the demonstration program. All applications are due to the Department of Health by **September 20, 2005**.

### **Transitional Care Unit Purpose:**

Section 2802-a of PHL defines "transitional care" as sub-acute care services provided to inpatients of a general hospital who no longer require acute care inpatient services, but continue to need specialized medical, nursing and other hospital ancillary services and are not yet ready for discharge. TCU's should be limited in length of stay and designed to meet and resolve patients' specific sub-acute medical care needs. Discharges from these units are to be timely and appropriate.

The improvement of quality outcomes for the TCU population, through the provision of appropriate services, delivered in the most efficient manner, is the primary goal of the TCU demonstration program. Hospitals selected for this program will be required to demonstrate an overall decrease in length of stay, quantify the clinical benefits of the program for TCU patients, and illustrate a synergistic relationship' with long term care providers in the community. Collaboration between hospitals and nursing homes in local service areas will help bring about this more efficient allocation of patients between the two settings.

### **Transitional Care Unit Criteria and Requirements**

Section 2802-a requires all providers applying to participate in this demonstration program meet all applicable requirements for TCUs as defined under title XVIII of the Federal Social Security Act (Medicare). Additionally, Transitional Care Units must:

- Not exceed 20 beds.
- Be a distinct unit/space within the hospital.
- Have a length of stay of not less than 5 days and not in excess of 21 days.
- Have a pre-opening survey, separate Medicare Number, and skilled nursing facility (SNF) licensure.
- Be staffed by qualified staff dedicated to the TCU.
- Serve patients who will benefit from active rehabilitation. It is expected patients will actively participate in three hours or more of Occupational Therapy/Physical Therapy/Speech Therapy, every day, either three hours consecutively or in combination between rehabilitative sessions.

**Transitional Care Unit Application Process:**

As provided for under Section 2802-a, the Department is hereby soliciting applications from general hospitals to participate in the TCU Demonstration Program. Applicants shall complete relevant schedules of the Certificate of Need application, as indicated in attachments A and B. The Certificate of Need application can be found at [www.health.state.ny.us](http://www.health.state.ny.us), click on [forms](#) on the home page and then to [Certificate of Need Application](#).

- Attachment (A) lists the schedules of the full CON application Form that must be completed to apply for the demonstration program.
- Attachment (B) includes additional instructions for Schedule 1B, 6, 8, 16A and 16B for the TCU applications.

Those applicants with a cooperative agreement or Memorandum of Understanding with one or more skilled nursing facilities will be given priority in the review process.

Please note all applications should emphasize the benefits of a TCU demonstration to a specific community, including, but not limited to the absence of sufficient post-discharge services in nursing homes and in home and community-based care, a detailed strategy for treating patients in TCUs and for achieving measurable outcomes, staffing patterns for the proposed TCU program or detailed plans for recruitment of staff upon approval of this project, and the discharge policies or procedures that will illustrate a purposeful discharge process.

Applications should be sent by **September 20, 2005**, to:

Ms. Diane M. Smith  
Acting Director, Information and Technology Services  
Division of Health Facility Planning  
433 River Street, 6<sup>th</sup> Floor  
Troy, NY 12180

If you have any questions, please contact Christopher Delker at 518-402-0966.

Sincerely,



Lisa M. Wickens  
Assistant Director  
Office of Health Systems Management

**TRANSITIONAL CARE UNITS DEMONSTRATION PROGRAM**

**ATTACHMENT A**

This attachment lists schedules from the CON application form that must be filled out for the TCU program to provide the standard information (corporate, legal, etc.) necessary for all programs authorized under Section 2802. Please fill in all items unless otherwise noted.

**Schedule 1A**

Type of Application – Check the boxes “Construction” and “Full.”

Amount of Application Fee – Leave blank. No fee is required.

**Schedule 3A**

**Schedule 5**

**Schedule 7**

**Schedule 9**

**Schedule 10**

**Schedule 11**

**Schedule 13**

**TRANSITIONAL CARE UNITS DEMONSTRATION PROGRAM**

**ATTACHMENT B**

The following CON application schedules should be used to describe the major elements of the proposed TCU program, the need for the program, and how the service would be operated at your facility.

**Project Overview**

**Schedule 1B**

Provide a succinct summary of the project and why it is needed in the hospital's service area. This overview will also describe the number of beds in the proposed TCU, the staffing and other associated costs, the impact of the TCU on hospital revenues and any needed renovations or other alterations in physical plant. It will further summarize how the project will ensure quality and evaluate outcomes.

**Architecture**

**Schedule 6**

Describe any changes in physical plant needed to effect the operation of the proposed TCU. This will include architectural drawings and other associated information. The narrative should explain how the proposed configuration will ensure that the TCU will operate as a distinct unit within the hospital.

**Project Costs**

**Schedule 8**

In this spreadsheet schedule, describe how the Medicare revenues will support the TCU and show their impact on the hospital's overall revenue situation.

**Program Information and Community Need**

**Schedules 16A and 16B**

In these schedules, provide detailed information on the need for the project and on the operation of the proposed TCU. The information furnished in these sections should address, at a minimum, the following:

- Unduly long lengths of stay in the service area for DRGs covering such conditions as stroke, TBI and respiratory problems;
- An absence of sufficient post-discharge services in nursing homes and in home and community-based services in the area;
- A detailed strategy for treating patients in TCUs and for achieving measurable improved outcomes;
- Treatment regimens, case management and other interventions to be employed for TCU patients;
- Presence of appropriate staffing for the proposed TCU program, or detailed plans for recruitment of staff upon approval of the project;
- Discharge policies and procedures with active linkage to home- and community-based providers in the area.

In this section, append any charts, tables or other tabulated information that would be pertinent to the proposed TCU project.