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To: Hospital Providers (PT 01)

From: Carmen Hancock
Director, Division of Long-Term Services and Supports

Date: September 16, 2025

Re: Discharging Patients to Medicaid-Certified Nursing Facilities

When nursing facilities receive funding from Medicaid, they must follow federal regulations. Hospitals play a role in helping meet those requirements when discharging a patient to a nursing facility. The Department for Medicaid Services is providing the information below to ensure hospital staff understand the requirements and how a hospital can expedite the process.

What is PASRR?

Preadmission Screening and Resident Review (PASRR) is a federally mandated screening process for individuals with serious mental illness and/or intellectual disabilities or a related condition who are seeking admission to a Medicaid-certified nursing facility. The screening process may result in a full PASRR evaluation.

Why is this information important to hospitals?

Individuals cannot be admitted to a nursing facility until the PASRR process is conducted, and it has been determined they meet the level of care (LOC). Nursing facilities that admit individuals before the completion of these processes are noncompliant with federal law and may be ineligible for Medicaid payments.

Why is this changing now?

When Medicaid implemented the Kentucky Level of Care System (KLOCS) in August 2020, the system allowed nursing facilities to complete their LOC application within three days of admission. This does not comply with federal regulations for PASRR. The PASRR regulation has not changed.

What must happen for someone to enter a nursing facility from a hospital?

If the individual is going into the facility for long-term care, they must have a PASRR Level I screening to determine if a PASRR Level II evaluation is required.

If the Level I screening doesn't indicate the need for a full evaluation, then the Peer Review Organization (PRO) will determine if they meet LOC. The LOC determination should be made within three business days of application submission.

If the Level I screening indicates the need for a full evaluation, the PRO will determine LOC. If LOC is met, the Community Mental Health Center (CMHC) will complete the PASRR Level II evaluation. The CMHC has nine business days to make its determination regarding PASRR criteria.

If it is anticipated that the individual who requires a Level II evaluation will only need to stay in a nursing facility for 30 days or less, they may be eligible for a hospital exemption. The discharging physician must certify this by signing the MAP 4092 form. If this is the case, then the PRO will need to determine LOC as met, and the individual can be admitted. This exempts them from the Level II evaluation, unless it is determined during that 30 days that they will need a longer stay.

How can hospitals help expedite this process?

PASRR regulations require that the History and Physical (H&P) meet the following requirements:

- Must have been completed within the past year.
- Must include a history of the present illness that supports the reason for admission to a facility.
- Must include a full review of systems. At least 10 systems must be covered.
- Must include a full physical exam. The exam must cover the nine areas examined, with one (1) being a neurological assessment or assessment of neurological status.
- Can be signed by an MD, DO, APRN, or PA. If not signed by a physician, a physician must review and concur.
- A current list of medications that includes the reason for each medication (this can be a separate document).

If an H&P that the hospital provides to the nursing facility meets the above criteria, it will result in fewer lack of Information (LOI) requests sent to the nursing facility from reviewers and can speed up the LOC determination process.

Hospitals can also expedite nursing facility admissions by ensuring that discharge planning begins at the time of admission, and notifying the individuals and/or guardian/family's chosen nursing facility as early as possible. This allows the LOC application to be completed and reviews to be conducted before the individual needs to be discharged.

Thank you for your continued commitment to serving Kentucky's Medicaid members.