

**441—81.54 (249A) Continuation of payments to a facility with deficiencies.****81.54(1) Criteria.**

*a.* The department may continue payments to a facility that is not in substantial compliance for the periods specified in subrule 81.54(3) if the following criteria are met:

(1) The department of inspections and appeals finds that it is more appropriate to impose alternative remedies than to terminate the facility;

(2) The department of inspections and appeals has submitted a plan and timetable for corrective action approved by CMS; and

(3) The facility agrees to repay the department for all payments received under this provision if corrective action is not taken in accordance with the approved plan and timetable for corrective action and posts a bond acceptable to the department to guarantee agreement to repay.

*b.* The facility provider agreement may be terminated before the end of the correction period if the criteria in 81.54(1)“*a*” are not met.

**81.54(2) Cessation of payments.** If termination is not sought, either by itself or along with another remedy or remedies, or any of the criteria in 81.54(1)“*a*” are not met or agreed to by either the facility or the department, the facility shall receive no payments, as applicable, from the last day of the survey.

**81.54(3) Period of continued payments.** If the conditions in 81.54(1)“*a*” are met, the department may continue payments to a facility with noncompliance that does not constitute immediate jeopardy for up to six months from the last day of the survey.

**81.54(4) Failure to achieve substantial compliance.** If the facility does not achieve substantial compliance by the end of the period specified in subrule 81.54(3), the provider agreement for the facility may be terminated.