HOUSE BILL No. 1357

DIGEST OF INTRODUCED BILL

Citations Affected: None (noncode).

Synopsis: Price based nursing home reimbursement under Medicaid. Requires the select joint commission on Medicaid oversight to study the impact of changing health facility reimbursement under the Medicaid program to a price based reimbursement system. Sets the health facility quality assessment fee (QAF) at the maximum amount allowed by the federal government (5.5%).

Effective: Upon passage; July 1, 2010.

Pelath

January 13, 2010, read first time and referred to Committee on Ways and Means.

C o p y

Introduced

Second Regular Session 116th General Assembly (2010)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type.~~

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~*this style type*~~ reconciles conflicts between statutes enacted by the 2009 Regular and Special Sessions of the General Assembly.

C o p y

HOUSE BILL No. 1357

A BILL FOR AN ACT concerning human services.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. [EFFECTIVE JULY 1, 2010] **(a) As used in this SECTION, "commission" refers to the select joint commission on Medicaid oversight established by IC 2-5-26-3.**

(b) As used in this SECTION, "health facility" means an entity that is:

(1) licensed under IC 16-28 as a comprehensive care facility; and

(2) a Medicaid provider under IC 12-15.

(c) As used in this SECTION, "price based reimbursement system" means a system that includes the following components:

(1) A fixed price component for administrative costs, including a statewide:

(A) direct care personnel price; and

(B) price for personnel who do not provide direct care.

(2) The following additional payments:

(A) A fair rental value calculation for capital reimbursement that is the result of:

(i) the number of beds; multiplied by

(ii) the average historical cost of a health facility bed in Indiana; multiplied by

(iii) a rental rate factor.

(B) Therapy reimbursement for therapy services provided to a Medicaid recipient, based on either:

(i) a ratio of therapy revenue reported on the health facility's Medicaid cost report to total therapy revenue reported; or

(ii) directly billed therapy services.

(C) A quality assessment fee for providers that make quality assessment payments.

(D) Real estate and personal property taxes.

(E) A Medicaid utilization incentive for providers that serve a higher percentage of Medicaid recipients than the average provider.

(d) During the 2010 legislative interim, the commission shall study the impact of changing the system of Medicaid reimbursement for health facilities to a price based reimbursement system instead of a case mix reimbursement system.

(e) This SECTION expires December 31, 2010.

SECTION 2. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "health facility" refers to a health facility that is licensed under IC 16-28 as a comprehensive care facility.**

(b) As used in this SECTION, "health facility quality assessment fee" refers to the quality assessment collected by the office under P.L.182-2009(ss), SECTION 486.

(c) As used in this SECTION, "nursing facility" means a health facility that is certified for participation in the federal Medicaid program under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.).

(d) As used in this SECTION, "office" refers to the office of Medicaid policy and planning established by IC 12-8-6-1.

(e) The office shall collect a health facility quality assessment fee from a health facility or a nursing facility that is required to pay the assessment at the maximum percentage allowed under federal Medicaid law.

(f) The office shall apply for any approval necessary from the federal Department of Health and Human Services necessary to implement this SECTION. If approval from the federal Department of Health and Human Services is not necessary, the office shall implement the maximum health facility quality assessment fee not later than thirty (30) days after the passage of

C o p y

this act.

(g) If the office receives approval under subsection (f), the office shall file an affidavit with the governor attesting that the approval applied for under this SECTION is in effect. The office shall file the affidavit under this subsection not later than five (5) days after the office is notified of the approval.

(h) If the office receives approval under subsection (f) and the governor receives the affidavit filed under subsection (g), the office shall implement the approved health facility quality assessment fee not more than sixty (60) days after the governor receives the affidavit.

(i) The office may adopt rules under IC 4-22-2 necessary to implement this SECTION.

(j) This SECTION expires August 1, 2014.

SECTION 3. **An emergency is declared for this act.**

C o p y