

**LSA NUMBER:** 10-65  
**TITLE:** NSGO NF QA Fee  
**DIVISION:** Division of Aging & OMPP  
**PREPARED BY:** Attorney: Kevin Wild; Program Staff: Tracy Nguyen

**OVERVIEW OF RULE:** Amends 405 IAC 1-14.6-24 to revise the quality assessment fee that the office shall collect from each nonstate government owned or operated nursing facility that became a nonstate government owned or operated nursing facility on or after July 1, 2003.

There are currently nineteen (19) nursing facilities that became nonstate government owned or operated after July 1, 2003. Prior to becoming non-state government owned or operated after July 1, 2003, these nursing facilities were owned or operated by private, non-government entities, and accordingly paid a quality assessment fee of ten dollars (\$10.00) per non-Medicare day. Once these facilities became nonstate government owned or operated, these facilities began paying the nonstate government owned or operated nursing facility assessment fee of two dollars and fifty cents (\$2.50) per non-Medicare day.

The effect of this rule amendment is for nursing facilities that become nonstate government owned or operated after July 1, 2003 to pay the quality assessment fee of ten dollars (\$10.00) per non-Medicare day.

Additionally, this rule amendment conforms the definition of a continuing care retirement facility qualifying for an exemption of the quality assessment fee with provisions of the 2009 budget bill, specifically P.L. 182-2009(ss), SEC. 486(f)(1).

**FISCAL IMPACT:** The estimated annual increase in Medicaid revenue for this rule amendment is as follows:

	<b>First Year of Implementation <u>(\$ in millions)</u></b>
Total Estimated Increase in Medicaid Expenditures	____ (\$2.9)
Estimated Federal Share @ 74.21%	____ (\$2.2)
Estimated State Share @ 25.79%	____ <u>(\$0.7)</u>
Total Estimated Quality Assessment Fee Increase to the State	\$4.1
Less Estimated State Share of Medicaid Expenditures	____ <u>(\$0.7)</u>
<b>Net Estimated Fiscal Impact to State</b>	<b>____ <u>\$3.4</u></b>

[Regarding the Federal share, the Federal Medical Assistance Percentage (FMAP) rate used is the enhanced FMAP rate determined under the American Recovery and Reinvestment Act of 2009 that applies for the period 10/1/2008 through 3/31/2009. The FMAP will be modified as a result of this legislation on a quarterly basis through 12/31/2010.]

**ECONOMIC IMPACT:** FSSA has determined that the proposed rule does not have an economic impact of greater than five hundred thousand dollars (\$500,000) on the regulated entities. FSSA estimates that small businesses will incur no additional costs to comply with this proposed rule amendment.

**OPPONENTS:** None known.

**PROPONENTS:** Many NFs.

**RECOMMENDATIONS:** None.

**PUBLIC HEARING COMMENTS:** A public hearing has not yet been scheduled.