

SB 1123 -- MEDICAID NURSING HOME REIMBURSEMENT

SPONSOR: Gibbons (Portwood)

COMMITTEE ACTION: Voted "do pass" by the Committee on Senior Security by a vote of 14 to 2.

This bill creates the Elder Care Protection Act of 2004 and requires the Division of Medical Services in the Department of Social Services to annually recalculate the Medicaid per diem reimbursement rate of each nursing home facility participating as a provider in the Medicaid Program. The bill:

- (1) Requires the recalculation to be performed over three state fiscal years and in three separate payments beginning July 1, 2004;
- (2) Requires the recalculation to be based on a facility's reported costs which are filed with the department, beginning with the facility's fiscal year ending in 2001; and
- (3) Prohibits the division from applying a minimum utilization adjustment factor to a recalculation.

The bill contains provisions pertaining to the factors used in the recalculations which begin July 1, 2004. Effective July 1, 2007, each facility will receive a full Medicaid recalculation based on its 2004 Medicaid cost report of adjusted costs.

The bill contains an emergency clause.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$16,245,198 to \$16,654,668 in FY 2005, \$37,660,568 to \$38,273,553 in FY 2006, \$64,337,587 to \$65,043,035 in FY 2007. No impact on Other State Funds in FY 2005, FY 2006, and FY 2007.

PROPOSERS: Supporters say that currently Medicaid is reimbursing nursing homes at the 1992 rate. The low rate is placing a large burden on elderly care. Homes are in disrepair, resident care is lacking, and wages are too low. An increase in the per diem is necessary for the proper care of seniors.

Testifying for the bill were Senator Gibbons; Christian Health Care; Missouri Health Care Association; Missouri Association for the Homes for the Aging; Pyramid Home Health; Bethesda Health Care; Lutheran Senior Services; and Office of the Lieutenant Governor.

OPPOSERS: There was no opposition voiced to the committee.

Bob Dominique, Legislative Analyst