

HCS HB 1129 -- FEDERAL REIMBURSEMENT ALLOWANCE FOR IN-HOME SERVICES

SPONSOR: Icet

COMMITTEE ACTION: Voted "do pass" by the Committee on Budget by a vote of 24 to 0.

This substitute authorizes a federal reimbursement allowance for in home services. "In-home services" are defined as homemaker services, personal care services, chore services, respite services, consumer-directed services, and services provided in the individual's home and under a plan of care created by a physician which are necessary to keep children out of the hospitals. "In-home services provider" is defined as any provider or vendor as specified under Section 208.900, RSMo, of compensated in-home services under Chapter 208 and contracted with the Department of Social Services. Each in-home services provider will be required to pay an in-home services reimbursement allowance based on a formula established by the Department of Social Services.

Each in-home services provider who is subject to the provisions of the substitute is required to register with the Department of Health and Senior Services and to keep records necessary to determine the total payments received for providing in-home services. Each provider is required to report the total payments received to the Department of Social Services. The first \$25,000 generated in gross income is disregarded for each provider. The Department of Health and Senior Services must provide the Department of Social Services with a list of all registered in-home services providers.

The Department of Social Services is required to determine and notify each provider of the amount of tax due. The tax may be adjusted quarterly on a prospective basis or more frequently for certain providers if the department identifies the need. If requested by the in-home services provider, the department may offset the tax owed against any MO HealthNet Program payment due the provider.

The In-Home Services Reimbursement Allowance Fund is created to provide payment to in-home services providers. All investment earnings of the fund must be credited to the fund.

For an in-home services provider with a tax due of more than 90 days, the Department of Social Services is required to send notification of the tax due. If a provider fails to pay its tax within 30 days of the notice, the tax is considered delinquent and the department may proceed with a lien against the provider's

property; deny, suspend, or revoke his or her license; and cancel or refuse to issue, extend, or reinstate his or her MO HealthNet provider agreement.

The provisions of the substitute will be effective upon authorization by the federal Centers for Medicare and Medicaid Services for a federal reimbursement allowance for in-home services.

The provisions of the substitute will expire September 1, 2011.

FISCAL NOTE: Estimated Cost on General Revenue Fund of Unknown but Greater than \$24,725 in FY 2010, Unknown but Greater than \$30,547 in FY 2011, and Unknown but Greater than \$31,463 in FY 2012. No impact on Other State Funds in FY 2010, FY 2011, and FY 2012.

PROPOSERS: Supporters say that the bill was modeled after the federal reimbursement allowance for pharmacies. The allowance is limited to in-home providers who contract with the Department of Social Services for services performed under Chapter 208, RSMo. Small providers that earn \$25,000 or less in gross income will be exempt. Currently, the allowance has not been approved by the federal Centers for Medicare and Medicaid Services (CMS) and will not be effective until authorized by CMS. The allowance will increase rates for providers and increase funds for the state budget.

Testifying for the bill were Representative Stream; Integrity Home Care; Jay Reichard, Pyramid Home Health Services; Missouri Alliance for Home Care; Missouri Council for In-Home Services; and Paraquad, Incorporated.

OPPONENTS: Those who oppose the bill say that it is not under the federal rule. Using the term "federal" requires taxes to be broadly based, and this one is pretty limited. Federal reimbursement allowances create some big winners and big losers. In-home providers help with daily living instead of the care provided by a doctor or nurse.

Testifying against the bill was Missouri Association of Homes for the Aging.