

Regular Session, 2010

HOUSE BILL NO. 766

BY REPRESENTATIVE TUCKER

NURSING HOMES: Makes changes to the Medicaid case mix reimbursement methodology for nursing homes

1 AN ACT

2 To amend and reenact R.S. 46:2742(B)(introductory paragraph), (2), (5)(d), (7), and (11),
3 relative to the Medicaid case mix reimbursement methodology for nursing homes;
4 to provide for a date for promulgation of rules and regulations; to modify the
5 reimbursement for direct care costs; to change the minimum occupancy penalty; to
6 provide for the frequency of rate rebasing; to provide for an effective date; and to
7 provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 46:2742(B)(introductory paragraph), (2), (5)(d), (7), and (11) are
10 hereby amended and reenacted to read as follows:

11 §2742. Case mix reimbursement

12 * * *

13 B. No later than October 1, ~~2006~~ 2010, the department shall promulgate rules
14 and regulations in accordance with the Administrative Procedure Act to provide for
15 a case mix reimbursement system. The rules and regulations shall include, at a
16 minimum, the following:

17 * * *

18 (2) A payment for direct care costs at a level to achieve quality outcomes for
19 patients and which is no less than one hundred ~~ten~~ twelve and four-tenths percent of
20 the median of direct care costs for all facilities. The system establishes a spending

1 floor of no more than ninety-four percent of the median direct care costs. If the
2 department implements, through properly promulgated rules, reductions decreasing
3 the average rate established under this system before any inflationary adjustments,
4 the direct care spending floor shall be decreased in accordance with Subsection C of
5 this Section.

6 * * *

7 (5) A rental system for payment of property costs that:

8 * * *

9 (d) Encourages long-term ownership by limiting the minimum occupancy
10 penalty to no more than ~~seventy~~ eighty-five percent of the licensed bed capacity and
11 by reimbursing on the basis of the facility value as opposed to reimbursing on
12 accounting cost.

13 * * *

14 (7) Utilization of the most current cost reports which shall be either audited
15 or given an estimated audit adjustment factor based on historical audits for rate
16 rebasing, at a minimum, ~~biannually~~ biennially.

17 * * *

18 (11) Rebasing of rates shall occur, at a minimum, ~~biannually~~ biennially.

19 * * *

20 Section 2. This Act shall become effective on July 1, 2011.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Tucker

HB No. 766

Abstract: Makes changes to the Medicaid case mix reimbursement methodology for nursing homes by increasing the payment for direct care costs and increasing the minimum occupancy in each facility.

Present law requires DHH to promulgate case mix reimbursement system rules no later than Oct. 1, 2006.

Proposed law requires that DHH promulgate related rules and regulations by Oct. 1, 2010.

Present law provides that the Dept. of Health and Hospitals (DHH) shall make payment for direct care costs at a level no less than 110% of the median of direct care costs for all facilities.

Proposed law increases that payment for direct care costs to 112.4% of the median of direct care costs for all facilities.

Present law limits the minimum occupancy penalty to no more than 70% of the licensed bed capacity.

Proposed law limits the minimum occupancy penalty to no more than 85% of the licensed bed capacity.

Present law requires that DHH utilize the most current cost reports to be audited for rate rebasing and that rate rebasing shall occur at a minimum, biannually.

Proposed law retains present law but requires that rates be rebased biennially.

Effective July 1, 2011.

(Amends R.S. 46:2742(B)(intro. para.), (2), (5)(d), (7), and (11))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Health and Welfare to the original bill.

1. Changed the proposed payment for direct care costs from 112.5% of the median of direct care costs for all facilities to 112.4% of the median of direct care costs for all facilities.