

Regular Session, 2010

HOUSE BILL NO. 766

BY REPRESENTATIVE TUCKER AND SENATOR CHEEK

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
21 floor of no more than ninety-four percent of the median direct care costs. If the
22 department implements, through properly promulgated rules, reductions decreasing
23 the average rate established under this system before any inflationary adjustments,

1 the direct care spending floor shall be decreased in accordance with Subsection C of
2 this Section.

3 * * *

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

5 * * *

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

10 * * *

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

14 * * *

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

16 * * *

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

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____