

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 801 - HB 1061

March 25, 2021

SUMMARY OF BILL: Reduces, from three percent to two percent, the assessment rate for a licensed nursing home that on July 1, 2020, operated as part of a continuing care retirement community (CCRC).

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – The total amount of the assessment will continue to be collected; therefore, the net impact to state government revenue is considered not significant.

Passage of the proposed legislation could jeopardize recurring federal nursing facility reimbursement funds of \$370,000,000 in FY21-22 and subsequent years if the change in assessment rate fails to meet permissible health care-related tax requirements pursuant to 42 CFR § 433.68.

Assumptions:

- Passage of the proposed legislation will result in a shift in the payment of assessment dollars by facilities. The total amount of the assessment will still be collected; therefore, the net impact to state government revenue is considered not significant.
- Based on information provided by the Division of TennCare, the current three percent rate for CCRC facilities is part of a waiver agreement to the uniformity and consistency requirements that the state has with the Centers for Medicare and Medicaid Services (CMS).
- Changing the rate paid by CCRCs could result in the nursing facility assessment no longer meeting the permissible health care-related tax requirements as prescribed pursuant to 42 CFR § 433.68, and will jeopardize federal nursing facility reimbursement funds of approximately \$370,000,000.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

Handwritten signature of Krista Lee Carsner in black ink.

Krista Lee Carsner, Executive Director

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