

HOUSE BILL 493

By Johnson C

AN ACT to amend Tennessee Code Annotated, Title 71,  
Chapter 5, Part 10, relative to the nursing home  
assessment.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 71-5-1002(h)(1), is amended by deleting "FY 2022-2023" and substituting instead "FY 2023-2024".

SECTION 2. Tennessee Code Annotated, Section 71-5-1003, is amended by deleting subsection (c) and substituting instead the following:

(c) The total aggregated amount of assessments for all nursing facilities from July 1, 2023, through June 30, 2024, is equal to six percent (6%) of the net patient service revenue. The total aggregated amount of assessment for all nursing facilities, and the annual assessment determined for each nursing facility, must be established on July 1 of each year. The bureau may allow for one (1) mid-year adjustment to be established prior to January 1. Once established, neither amount must vary during the fiscal year. Each nursing facility has an annual assessment amount that is determined as follows:

(1) A licensed nursing home that is licensed on July 1, 2023, for fifty (50) beds or fewer shall pay an assessment rate equal to two and three-quarters percent (2.75%) of net patient service revenue, divided by all non-medicare days. The facility shall pay the per diem rate for each of its non-medicare days;

(2) A licensed nursing home that on July 1, 2023, either operates as part of a continuing care retirement community or is certified only to provide medicare skilled nursing facility services, shall pay an assessment rate equal to two and

three-quarters percent (2.75%) of net patient service revenue, divided by all non-medicare days. The facility shall pay the per diem rate for each of its non-medicare days;

(3) A licensed nursing home that is licensed on July 1, 2023, and provided thirty-five thousand (35,000) or greater medicaid patient days for the twelve (12) months ending December 31 of the prior year shall pay an assessment rate equal to two and three-quarters percent (2.75%) of net patient service revenue divided by all non-medicare patient days. The facility shall pay the per diem rate for each of its non-medicare days;

(4) A new nursing home facility that is initially licensed and commences operations on or after July 1, 2023, shall pay in FY 2023-2024 a prorated assessment equal to two thousand two hundred twenty-five dollars (\$2,225) per licensed bed per year, prorated to accrue from the date the nursing facility became certified to participate in TennCare. The change in ownership of an existing licensed facility does not meet the requirements of this subdivision (c)(4);

(5) A licensed nursing home not meeting the criteria of subdivisions (c)(1)-(4) shall pay an equal per facility annual assessment amount at such amount as is necessary to ensure that the total aggregated amount of assessment for all nursing facilities from July 1, 2023, through June 30, 2024, equals six percent (6%) of the net patient service revenue, when such total aggregated assessment amount is established on July 1 of each year;

(6) Any excess collections of per facility annual assessments above the targeted six percent (6%) of the net patient service revenue must be retained in the nursing home assessment trust fund account created under this part. If actual collections of per facility annual assessments do not equal the targeted six

percent (6%) of the net patient service revenue, then any shortfall may be made up from funds in the nursing home assessment trust fund account created under this part, or from other appropriations to the TennCare program; and

(7) A facility that ceases to be licensed by the health facilities commission is not required to pay assessment fees accruing after the date of its licensure termination.

SECTION 3. Tennessee Code Annotated, Section 71-5-1010(a), is amended by deleting "June 30, 2023" and substituting instead "June 30, 2024".

SECTION 4. This act takes effect July 1, 2023, the public welfare requiring it.