

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-4505/1	Introduction Number AB-972	
Description Increasing the Medical Assistance reimbursement rate for nursing homes, supplementing the Medical Assistance reimbursement for nursing homes, and making appropriations		
Fiscal Effect		
State:		
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations		
<input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Decrease Existing Revenues		
<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Decrease Costs		
Local:		
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs 3. <input checked="" type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory		
2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected		
<input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.435 (4)(b), (4)(o), and (4)(w)		
Affected Ch. 20 Appropriations		
Agency/Prepared By	Authorized Signature	Date
DHFS/ Lori Richter (608) 266-5422	Andy Forsaith (608) 266-7684	2/6/2006

Fiscal Estimate Narratives

DHFS 2/6/2006

LRB Number	05-4505/1	Introduction Number	AB-972	Estimate Type	Original
Description Increasing the Medical Assistance reimbursement rate for nursing homes, supplementing the Medical Assistance reimbursement for nursing homes, and making appropriations					

Assumptions Used in Arriving at Fiscal Estimate

Currently, nursing homes receive a daily rate for providing nursing home care to Medicaid (MA) recipients. County and municipal nursing homes also receive \$37.1 million in supplemental payments. One revenue source of the MA Trust Fund is related to county and municipal-owned nursing homes. The state claims federal matching funds under MA based on unreimbursed costs for MA recipients in county and municipal homes under certified public expenditure (CPE) claims.

This bill provides for a \$1,285,400 one-time supplementary payment to nursing homes in SFY 06, based on the number of MA patient days provided by each home in SFY 05. This bill also provides nursing homes an MA rate adjustment by increasing the GPR appropriation for MA by \$10,118,000 in SFY 07.

Since MA payments are eligible for federal matching funds, the GPR funding supports total payments of approximately \$3,047,400 AF (\$1,762,000 FED) in FY 06 and \$23,818,300 AF (\$13,700,300 FED) in FY 07. However, additional payments under MA to county and municipal homes would have a negative impact on the state CPE claim, since any MA payments would reduce those facilities' unreimbursed costs, which are the basis of the CPE claim. As a result, state CPE revenues would decrease by an estimated \$302,500 SEG in FY 06 and \$2,740,100 SEG in FY 07.

There would not be any additional administrative costs to the department as a result of this bill.

Because the lump sum payments are contingent upon federal approval of a state plan amendment, payment is very unlikely to be possible until sometime in SFY 07.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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Description Increasing the Medical Assistance reimbursement rate for nursing homes, supplementing the Medical Assistance reimbursement for nursing homes, and making appropriations			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): Provides an additional one-time payment of \$3,047,400 AF (\$1,285,400 GPR) in SFY 06. Reduces revenues in SFY06 by \$302,500 SEG.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance	23,818,300		
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$23,818,300		\$
B. State Costs by Source of Funds			
GPR	10,118,000		
FED	13,700,300		
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$		\$
GPR Earned			
FED	13,700,300		
PRO/PRS			
SEG/SEG-S			-2,740,100
TOTAL State Revenues	\$13,700,300		-\$2,740,100
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$23,818,300		\$
NET CHANGE IN REVENUE	\$10,960,200		\$
Agency/Prepared By		Authorized Signature	Date
DHFS/ Lori Richter (608) 266-5422		Andy Forsaith (608) 266-7684	2/6/2006