

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 336

BY HEALTH AND WELFARE COMMITTEE

AN ACT

1 RELATING TO MEDICAID; AMENDING SECTION 56-1503, IDAHO CODE, TO PROVIDE
2 A DEFINITION AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION
3 56-1504, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE NURSING FACIL-
4 ITY ASSESSMENT FUND; AND AMENDING SECTION 56-1511, IDAHO CODE, TO RE-
5 VISE PROVISIONS REGARDING ANNUAL NURSING FACILITY ADJUSTMENT PAYMENTS.
6

7 Be It Enacted by the Legislature of the State of Idaho:

8 SECTION 1. That Section 56-1503, Idaho Code, be, and the same is hereby
9 amended to read as follows:

10 56-1503. DEFINITIONS. As used in this chapter:

- 11 (1) "CMS" means the centers for medicare and medicaid.
12 (2) "Department" means the department of health and welfare.
13 (3) "Fiscal year" means the time period from July 1 to June 30.
14 (4) "Fund" means the nursing facility assessment fund established pur-
15 suant to section 56-1504, Idaho Code.
16 (5) "Net patient service revenue" means gross revenues from services
17 provided to nursing facility patients, less reductions from gross revenue
18 resulting from an inability to collect payment of charges. Patient service
19 revenue excludes nonpatient care revenues such as beauty and barber, vend-
20 ing income, interest and contributions, revenues from sale of meals and all
21 outpatient revenues. Reductions from gross revenue includes: bad debts;
22 contractual adjustments; uncompensated care; administrative, courtesy and
23 policy discounts and adjustments; and other such revenue deductions.
24 (6) "Nursing facility" means a nursing facility as defined in section
25 39-1301, Idaho Code, and licensed pursuant to chapter 13, title 39, Idaho
26 Code.
27 (7) "Resident day" means a calendar day of care provided to a nursing
28 facility resident, including the day of admission and excluding the day of
29 discharge, provided that one (1) resident day shall be deemed to exist when
30 admission and discharge occur on the same day.
31 (8) "Medicare part A resident days" means those resident days funded by
32 the medicare program or by a medicare advantage or special needs plan.
33 (9) "Upper payment limit" means the limitation established by federal
34 regulations, 42 CFR 447.272, that disallows federal matching funds when
35 state medicaid agencies pay certain classes of nursing facilities an ag-
36 gregate amount for services that exceed the amount that is paid for the same
37 services furnished by that class of nursing facilities under medicare pay-
38 ment principles.
39 (10) "Value-based purchasing payments" means supplemental payments ef-
40 fective in state fiscal year 2021 made to providers for reaching department-
41 selected quality indicators.

1 SECTION 2. That Section 56-1504, Idaho Code, be, and the same is hereby
2 amended to read as follows:

3 56-1504. NURSING FACILITY ASSESSMENT FUND. (1) There is hereby cre-
4 ated in the office of the state treasurer a dedicated fund to be known as
5 the nursing facility assessment fund, hereinafter the "fund," to be adminis-
6 tered by the department. The state treasurer shall invest idle moneys in the
7 fund and any interest received on those investments shall be returned to the
8 fund.

9 (2) Moneys in the fund shall consist of:

10 (a) All moneys collected or received by the department from nursing fa-
11 cility assessments required pursuant to this chapter;

12 (b) All federal matching funds received by the department as a result
13 of expenditures made by the department that are attributable to moneys
14 deposited in the fund;

15 (c) Any interest or penalties levied in conjunction with the adminis-
16 tration of this chapter; and

17 (d) Any appropriations, federal funds, donations, gifts or moneys from
18 any other sources.

19 (3) The fund is created for the purpose of receiving moneys in accor-
20 dance with this section and section 56-1511, Idaho Code. Collected assess-
21 ment funds shall be used to secure federal matching funds available through
22 the state medicaid plan, which funds shall be used to make medicaid payments
23 for nursing facility services that equal or exceed the amount of nursing fa-
24 cility medicaid rates, in the aggregate, as calculated in accordance with
25 the approved state medicaid plan in effect on June 30, 2009. The fund shall
26 be used exclusively for the following purposes:

27 (a) To pay administrative expenses incurred by the department or its
28 agent in performing the activities authorized pursuant to this chapter,
29 provided that such expenses shall not exceed a total of one percent (1%)
30 of the aggregate assessment funds collected for the prior fiscal year.

31 (b) To reimburse the medicaid share of the assessment ~~as a pass-through~~
32 in accordance with IDAPA 16.03.10.264.

33 (c) ~~To, at a minimum, make provide financial incentives for nursing~~
34 ~~facility adjustment payments that restore any rate reductions, in the~~
35 ~~aggregate, for the facilities to improve quality to be implemented as~~
36 ~~value-based purchasing payments in state fiscal years 2010 and 2011~~
37 ~~year 2021 based on performance data from the prior state fiscal year, in~~
38 accordance with section 56-1511, Idaho Code.

39 (d) To increase nursing facility payments to fund covered services to
40 medicaid beneficiaries within medicare upper payment limits, as nego-
41 tiated with the department.

42 (e) To repay the federal government any excess payments made to nursing
43 facilities if the state plan, once approved by CMS, is subsequently dis-
44 approved for any reason, and after the state has appealed the findings.
45 Nursing facilities shall refund the excess payments in question to the
46 assessment fund. The state, in turn, shall return funds to both the
47 federal government and nursing facility providers in the same propor-
48 tion as the original financing. Individual nursing facilities shall be
49 reimbursed based on the proportion of the individual nursing facility's

1 assessment to the total assessment paid by nursing facilities. If a
2 nursing facility is unable to refund payments, the state shall develop
3 a payment plan and deduct moneys from future medicaid payments. The
4 state will refund the federal government for the federal share of these
5 overpayments.

6 (f) To make refunds to nursing facilities pursuant to section 56-1507,
7 Idaho Code.

8 SECTION 3. That Section 56-1511, Idaho Code, be, and the same is hereby
9 amended to read as follows:

10 56-1511. ANNUAL NURSING FACILITY ADJUSTMENT PAYMENTS. (1) All nurs-
11 ing facilities, with the exception of the state and county-owned facilities
12 not included in subsection (2) of this section, shall be eligible for annual
13 nursing facility adjustments.

14 (2) The Idaho state veterans nursing homes shall be eligible to partic-
15 ipate in the program and shall be eligible for annual nursing facility ad-
16 justments.

17 (3) For the purpose of this section, "nursing facility days" are days of
18 nursing facility services paid for by the Idaho medical assistance program
19 for the applicable state fiscal year.

20 (a) For state fiscal year 2010, medicaid days for each provider's cost
21 report ending in calendar year 2008 shall be utilized to determine the
22 nursing facility adjustment payment.

23 (b) For state fiscal year 2011, medicaid days for each provider's cost
24 report ending in calendar year 2009 shall be utilized to determine the
25 nursing facility adjustment payment.

26 (34) Adjustment payments shall be paid on an annual basis to reimburse
27 covered medicaid expenditures in the aggregate within the upper payment
28 limit.

29 (45) Each annual payment shall be made no later than thirty (30) days
30 after the receipt of the last annual deposit of the nursing facility assess-
31 ments required in section 56-1504, Idaho Code.

32 (6) The department shall implement quality performance reporting be-
33 ginning in state fiscal year 2019.

34 (a) During state fiscal years 2019 and 2020, quality performance data
35 will be provided to nursing facilities to illustrate how their perfor-
36 mance would impact their value-based purchasing payment.

37 (b) For state fiscal year 2021 and beyond, payments from the fund de-
38 scribed in section 56-1504, Idaho Code, shall be based on quality indi-
39 cators.