
By: Senator Pica

Introduced and read first time: January 31, 1996

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Medical Assistance Program - Nursing Facilities - Disproportionate Share**
3 **Payment**

4 FOR the purpose of requiring the Department of Health and Mental Hygiene to pay
5 certain nursing facilities a disproportionate share payment from existing resources
6 under certain circumstances; specifying the requirements that a nursing facility must
7 satisfy in order to receive the disproportionate share payment; defining certain
8 terms; and generally relating to requiring the Department of Health and Mental
9 Hygiene to make specified payments to certain nursing facilities.

10 BY adding to

11 Article - Health - General
12 Section 15-117.1
13 Annotated Code of Maryland
14 (1994 Replacement Volume and 1995 Supplement)

15 Preamble

16 WHEREAS, In fiscal year 1993 the Secretary of Health and Mental Hygiene, in a
17 cost containment move, removed \$35 million from the Medical Assistance
18 Reimbursement Fund, thereby lowering the rate of reimbursement for all Medical
19 Assistance providers; and

20 WHEREAS, Nursing facilities that care primarily for Medical Assistance patients
21 were hardest hit by the move; and

22 WHEREAS, Only one in every four health care facilities in 1994 had a Medical
23 Assistance rate that covered actual allowable costs; and

24 WHEREAS, There is a growing gap between actual allowable costs and Medical
25 Assistance rates such that in 1994 the average facility lost more than \$2,700 per year for
26 each Medical Assistance patient; and

27 WHEREAS, Because of the inadequate rate of reimbursement, nursing facilities
28 have experienced difficulty in providing the quality of patient care required by the federal
29 Medicaid Act; and

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1 WHEREAS, Nursing facilities are continuing to experience difficulty meeting
2 financing commitments because of the lowering of the rate of reimbursement for all
3 Medical Assistance providers; and

4 WHEREAS, A disproportionate share payment paid to nursing facilities caring
5 primarily for Medical Assistance patients will offset financial deficiencies and ensure the
6 provision of quality care; now, therefore,

7 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
8 MARYLAND, That the Laws of Maryland read as follows:

9 **Article - Health - General**

10 15-117.1.

11 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
12 INDICATED.

13 (2) "ACTIVITIES OF DAILY LIVING" MEANS DRESSING, BATHING,
14 FEEDING, CONTINENCE, AND AMBULATION.

15 (3) "DISPROPORTIONATE SHARE PAYMENT" MEANS A PAYMENT OVER
16 AND ABOVE THE PAYMENT PROVIDED UNDER THE MEDICAL ASSISTANCE NURSING
17 FACILITY REIMBURSEMENT FORMULA THAT IS ALLOCATED FROM EXISTING
18 MEDICAL ASSISTANCE REIMBURSEMENT FUNDS.

19 (4) "HEAVY LEVEL OF CARE" MEANS REQUIRING ASSISTANCE WITH ALL
20 FIVE ACTIVITIES OF DAILY LIVING.

21 (5) "HEAVY SPECIAL LEVEL OF CARE" MEANS REQUIRING ASSISTANCE
22 WITH ALL FIVE ACTIVITIES OF DAILY LIVING AND REQUIRING ONE ADDITIONAL
23 SPECIAL SERVICE.

24 (6) "MEDICAL ASSISTANCE PATIENT" MEANS A NURSING FACILITY
25 PATIENT WHOSE PRIMARY PAYOR IS THE MARYLAND MEDICAL ASSISTANCE
26 PROGRAM OR THE MARYLAND MEDICAL ASSISTANCE PROGRAM AND MEDICARE.

27 (B) THE DEPARTMENT SHALL PROVIDE A DISPROPORTIONATE SHARE
28 PAYMENT OF \$5.00 PER MEDICAL ASSISTANCE PATIENT PER DAY OF CARE TO A
29 NURSING HOME FACILITY THAT IN ANY FISCAL YEAR PROVIDES AT LEAST 80% OF
30 ITS PATIENT DAYS TO MEDICAL ASSISTANCE PATIENTS IF AT LEAST 20% OF THOSE
31 PATIENT DAYS OF SERVICE ARE PROVIDED TO MEDICAL ASSISTANCE PATIENTS
32 WHO ARE CLASSIFIED AT THE HEAVY LEVEL OF CARE OR HEAVY SPECIAL LEVEL OF
33 CARE.

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
35 October 1, 1996.