

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 408 (Chairman, Finance Committee)
(Departmental - Health and Mental Hygiene)

Finance

Maryland Medical Assistance Program - Nursing Facilities - Reserved Beds

This departmental bill reduces payments for nursing home bed hold days from 15 to 5 days. If the Medicaid recipient is hospitalized for more than five days, the recipient may pay for additional bed hold days at the per diem rate set by the Department of Health and Mental Hygiene (DHMH). If the recipient is hospitalized beyond the number of days for which beds can be reserved, the nursing facility must readmit the recipient in the next available semi-private room if requested by the recipient. The bill also provides that savings from reduced bed hold days must be used to enhance nursing home reimbursement rates.

The bill will take effect July 1, 1997.

Fiscal Summary

State Effect: The Medicaid savings of about \$4.6 million from reduced bed hold days would be completely offset by increased reimbursement rates to nursing homes. The proposed FY 1998 budget provides that any Medicaid savings from reduced bed hold days be applied to enhance nursing home reimbursement rates, contingent upon enactment of the bill.

Local Effect: None.

Small Business Effect: The Department of Health and Mental Hygiene has determined that the bill has minimal impact on small businesses (attached). Fiscal Services concurs with this assessment.

Fiscal Analysis

State Effect: Current State law requires Medicaid to make payments to nursing homes to ensure a bed is reserved for a Medicaid recipient who is temporarily absent from the nursing home due to hospitalization or leave of absence. Bed hold payments are limited to 15 days. The bill limits bed hold payments to five days, which would reduce the number of bed hold days by approximately 56,000. Savings of \$4.6 million in fiscal 1998 are projected as a result. The bill directs that any savings from reducing bed hold days be expended to enhance the nursing home reimbursement rate, which is currently around \$102.40 a day. The Medicaid nursing home reimbursement formula is presently under funded by \$21 million. The proposed fiscal 1998 budget provides that any Medicaid savings be applied to enhance nursing home reimbursement rates, contingent upon enactment of this bill.

Information Source(s): Department of Health and Mental Hygiene (Medical Care Policy Administration), Department of Fiscal Services

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