

HOUSE BILL 1084

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1998 Regular Session
(8lr2305)

ENROLLED BILL
-- Environmental Matters/Finance --

Introduced by **Delegate Redmer**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Medicaid Reimbursement - Nursing Facilities**

3 FOR the purpose of ~~establishing an occupancy standard for the determination of~~
4 ~~Medicaid reimbursement of certain costs of nursing facility services requiring~~
5 ~~the Department of Health and Mental Hygiene to conduct a certain study and to~~
6 ~~report the results of its study to certain persons by a certain date; providing for~~
7 ~~the effective date of this Act; and generally relating to the reimbursement of~~
8 ~~certain nursing facilities under the Maryland Medical Assistance Program.~~

9 ~~BY adding to~~
10 ~~Article -- Health -- General~~
11 ~~Section 15-105.1~~
12 ~~Annotated Code of Maryland~~
13 ~~(1994 Replacement Volume and 1997 Supplement)~~

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

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Article—Health—General2 ~~15-105.1.~~

3 (A) ~~THE MEDICAID REIMBURSEMENT FORMULA FOR NURSING FACILITY~~
4 ~~SERVICES, AS SET FORTH IN THE CODE OF MARYLAND REGULATIONS, SHALL~~
5 ~~PROVIDE FOR THE ESTABLISHMENT OF A TARGET OCCUPANCY PERCENTAGE FOR~~
6 ~~EACH FISCAL YEAR FOR THE PURPOSE OF DETERMINING AMOUNTS PAYABLE TO~~
7 ~~SUCH FACILITIES FOR CAPITAL, ADMINISTRATIVE, AND OTHER COSTS NOT DIRECTLY~~
8 ~~ATTRIBUTABLE TO THE PROVISION OF RESIDENT CARE.~~

9 (B) ~~THE TARGET OCCUPANCY PERCENTAGE REQUIRED BY SUBSECTION (A) OF~~
10 ~~THIS SECTION FOR ANY FISCAL YEAR SHALL BE EQUAL TO THE MEAN PERCENTAGE~~
11 ~~OF OCCUPIED BEDS OF ALL NURSING FACILITIES IN THE IMMEDIATELY PRECEDING~~
12 ~~FISCAL YEAR, MINUS THREE PERCENTAGE POINTS.~~

13 (C) ~~HOWEVER, IF A NURSING FACILITY'S OCCUPANCY IS LESS THAN THAT~~
14 ~~SPECIFIED IN SUBSECTION (B) OF THIS SECTION, THEN THAT FACILITY SHALL BE~~
15 ~~REIMBURSED AT THE STATE AVERAGE MINUS THREE PERCENTAGE POINTS.~~

16 (D) ~~IF A NURSING FACILITY'S OCCUPANCY IS GREATER THAN THAT SPECIFIED~~
17 ~~IN SUBSECTION (B) OF THIS SECTION, THEN THAT FACILITY SHALL BE REIMBURSED~~
18 ~~BASED ON ITS ACTUAL OCCUPANCY~~ Department of Health and Mental Hygiene, in
19 consultation with the health care industry, shall study the feasibility of altering the
20 payment parameters, structure, and target occupancy percentage that is currently
21 used in the Medicaid reimbursement formula for nursing facility services as set forth
22 in the Code of Maryland Regulations. For the purpose of determining amounts
23 payable to nursing facilities for capital, administrative, and other costs not directly
24 attributable to the provision of resident care, the Department shall consider amounts
25 that will more accurately reflect current market costs and appropriate nursing home
26 capacity. The Department shall report on the results of its study and on its
27 recommendation for altering the payment parameters, structure, and target
28 occupancy percentage to the Senate Finance Committee, the House Environmental
29 Matters Committee, and in accordance with § 2-1246 of the State Government
30 Article, the General Assembly on or before December 1, 1998.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
32 June 1, 1998.