
By: **Delegate Redmer**
Introduced and read first time: February 13, 1998
Assigned to: Environmental Matters

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 27, 1998

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:~~

16 ~~Article Health General~~

17 ~~15-105.1:~~

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

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

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

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

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