

HF1581 - 0 - "Rate Increase Koochiching Cnty"

Chief Author: **David Dill**
 Committee: **Health and Human Services Finance**
 Date Completed: **04/07/2015**
 Lead Agency: Human Services Dept
 Other Agencies:
 Nursing Home Admin Board

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings) Dollars in Thousands	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
Human Services Dept					
General Fund	-	191	288	289	290
State Total					
General Fund	-	191	288	289	290
Total	-	191	288	289	290
Biennial Total			479		579

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
Human Services Dept					
General Fund	-	-	-	-	-
Total	-	-	-	-	-

Lead Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Susan Earle Date: 04/07/2015
 Phone: 651 201-8035 Email susan.earle@state.mn.us

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2015	FY2016	FY2017	FY2018	FY2019
Human Services Dept						
General Fund	-	191	288	289	290	
Total	-	191	288	289	290	
	Biennial Total		479		579	
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Human Services Dept						
General Fund	-	191	288	289	290	
Total	-	191	288	289	290	
	Biennial Total		479		579	
2 - Revenues, Transfers In*						
Human Services Dept						
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
	Biennial Total		-		-	-

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General Fund	-	-	-	-	-
Total	-	-	-	-	-

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Susan Earle Date: 4/7/2015 4:40:07 PM
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Total	-	191	288	289	290	
	Biennial Total		479		579	
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	
Total	-	-	-	-	-	
	Biennial Total		-		-	

Bill Description

This proposal provides a nursing facility in Koochiching County an operating rate increase of \$45 per day.

Assumptions

This proposal can be implemented within the existing administrative resources of the Department.

The effective date of the rate adjustments in this bill is October 1, 2015.

Minnesota's first fiscal year related to this bill ends on June 30, 2016.

Payment for services lags the provision of services by one month.

The costs/savings from the proposal are adjusted by forecasted changes in resident case-mix scores.

The state share of costs/savings is determined by amounts paid by other governmental units:

- the base federal share is 50% of the total; a small amount of payments are eligible for higher federal rates;
- the county share is estimated to be 2.3% of the non-federal share;
- the state share is the total minus the federal share and the county share.

The rate increase in this proposal applies to only one nursing facility (NF); Good Samaritan International Falls.

The COLA rate increase effective 10/1/2015 (MN Statute 256B.434, Subd. 19b) will not be repealed.

The number of Medicaid days will remain the same each year for this facility through FY2019.

Expenditure and/or Revenue Formula

This proposed increase for one facility (Good Samaritan International Falls) is \$45 per day for all case mix classifications.

The 3.2% rate increase currently in law (MS 256B.434, Subd. 19b) is added to the operating rates after calculating the proposed rate increase. A portion of this rate increase (.8%) is due to the quality improvement incentive program (QIIP). Each nursing facility's QIIP increase is dependent upon their nursing facility report card score but the overall average increase will be .8%. The calculations are based on this facility's current operating rate and Medicaid resident days on the 9/30/13 cost report.

Total annual cost/(savings) in thousands	FY 2016	FY 2017	FY 2018	FY 2019
Operating rate increases	\$ 591	\$ 591	\$ 591	\$ 591
Case-mix acuity increase factor	0.3300%	0.6610%	0.9933%	1.3233%
Adjusted costs	\$ 593	\$ 595	\$ 597	\$ 599
SFY payment delay	66.85%			
Projected MA costs/(savings)	\$ 396	\$ 596	\$ 597	\$ 599
Federal share	\$ 200	\$ 300	\$ 301	\$ 302
State budget	\$ 191	\$ 288	\$ 289	\$ 290
County share	\$ 5	\$ 7	\$ 7	\$ 7
MA Grants (state budget) BACT 33 LF	\$ 191	\$ 288	\$ 289	\$ 290
Administrative Costs	\$ -	\$ -	\$ -	\$ -
Total Costs/(Savings)	\$ 191	\$ 288	\$ 289	\$ 290

Fiscal Tracking Summary (\$000s)						
Description	Fund	BACT	FY2016	FY2017	FY2018	FY2019
NF operating rate increases	GF	33 LF	191	288	289	290
Total Net Fiscal Impact			191	288	289	290

Long-Term Fiscal Considerations

The additional spending is ongoing after FY 2019.

Local Fiscal Impact

There is a county share associated with this bill. The aggregate county impact will be approximately \$7,000 per year starting in FY 2017.

References/Sources

DHS Nursing Facility rate files

2013 Nursing Facility Medicaid Cost Report

February 2015 forecast

Kim Brenne, Nursing Facility Rates and Policy Divn.

Agency Contact: Kari Irber 651-431-3491

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HF1581 - 0 - "Rate Increase Koochiching Cnty"

Chief Author: **David Dill**
 Committee: **Health and Human Services Finance**
 Date Completed: **04/07/2015**
 Agency: **Nursing Home Admin Board**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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	Dollars in Thousands	FY2015	FY2016	FY2017	FY2018	FY2019
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
Total	-	-	-	-	-

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Brian McLafferty Date: 3/19/2015 4:00:40 PM
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State Cost (Savings) Calculation Details

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	FY2015	FY2016	FY2017	FY2018	FY2019
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Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Total	-	-	-	-	-
Biennial Total			-		-
2 - Revenues, Transfers In*					
Total	-	-	-	-	-
Biennial Total			-		-

Bill Description

HF 1581 is relating to human services; increasing operating payment rates for certain nursing facilities in Koochiching County; amending Minnesota Statutes 2014, section 256B.431, by adding a subdivision.

Assumptions

HF 1581 is a dedicated rate increase for a specific facility in a specific geographic area and would not have a fiscal impact on the Administrators license or on the Board of Examiners for Nursing Home Administrators.

Expenditure and/or Revenue Formula

None

Long-Term Fiscal Considerations

None

Local Fiscal Impact

None

References/Sources

None

Agency Contact:

Agency Fiscal Note Coordinator Signature: Juli Vangsness

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