



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 2211

PRINTERS NO. 3662

PRIME SPONSOR: Baker

COST / (SAVINGS)

FUND	FY 2015/16	FY 2016/17
General Fund	\$0	See Fiscal Impact

SUMMARY: House Bill 2211, Printer's Number 3662, amends the Human Services Code to: extend the nursing facility assessment, the Philadelphia Hospital assessment and the Intermediate Care Facilities for Persons with an Intellectual Disability (ICF/ID) assessment; extend the nursing facility budget adjustment factor; move the eHealth Partnership Program to the Department of Human Services (DHS); and make technical changes. This legislation is effective immediately.

ANALYSIS:

Assessments

The authority for the nursing facility assessment imposed on county and nonpublic nursing homes that is currently set to expire on June 30, 2016 is extended for an additional three years through June 30, 2019.

The department's authority for the assessment of ICF/IDs expires on June 30, 2016. Intermediate care facilities are state or privately-operated residential facilities, supported by both federal and state funds, specifically designed to furnish health and rehabilitative services to persons with intellectual disabilities or related conditions. The bill extends the sunset date for the ICF/ID assessment until June 30, 2019.

The authority for the Philadelphia hospital assessment expires on June 30, 2016. The bill reauthorizes the Philadelphia hospital assessment for an additional three years through June 30, 2019 and exempts cancer treatment centers to be consistent with the Statewide Quality Care Assessment.

Nursing Facility Budget Adjustment Factor

Every year the department sets new Medical Assistance (MA) per diem rates for nursing facilities, using a rate-setting methodology defined in regulation that takes into consideration a variety of factors. The budget adjustment factor (BAF) was designed to limit the average

payment rates for nursing facility services to the amount permitted by the funds appropriated by the General Appropriations Act for the fiscal year. The current authority for the department to continue to apply the BAF in the nursing facility rate setting expires on June 30, 2016. The bill extends the sunset date for the BAF until June 30, 2019.

eHealth Partnership Program

The bill moves the eHealth Partnership Program from an independent program under Act 121 of 2012 to a program within DHS. In addition, the eHealth Partnership Advisory Board membership is expanded to include one home care or hospice representative appointed by the DHS Secretary from a list of individuals submitted by a statewide home care association.

Technical Changes to Human Services Code

- Extends the provider submission process for documentation of the costs of providing out-of-home placement services in county child welfare through 2016-2017; and
- Repeals the requirement that required staff who inspect assisted living residences be solely dedicated to this inspection.

FISCAL IMPACT:

Reauthorization of the nursing facility assessment will maintain approximately \$490,000,000 in annual assessment revenues that will be used to support nursing home payments through June 30, 2019.

The Philadelphia Hospital Assessment reauthorization maintains the estimated \$140,000,000 annual revenue through June 30, 2019.

The ICF/ID Assessment extension maintains these revenues used to support facilities through June 30, 2019. In Fiscal Year 2016-2017, the assessment is projected to generate \$38,017,000, \$19,700,000 million from the assessment on services provided in private ICFs/ID and \$18,317,000 from the assessment on services provided in state centers.

The extension of the BAF does not have a fiscal impact. The BAF allows the Department to limit the average payment rates for nursing facility services to the amount permitted by the funds appropriated by the General Appropriations Act for the fiscal year.

The shift in the eHealth Partnership program to DHS is not anticipated to have an adverse fiscal impact and may reduce state funds by leveraging federal funds for administrative costs.

The extension of the out-of-home placement provider documentation has no negative fiscal impact and is necessary to ensure continuation of \$30,800,000 in federal Title IV-E funding.

Allowing staff who inspect assisted living facilities to also inspect other facilities will provide administrative efficiencies for DHS and save approximately \$10,000 through decreased travel expenses.

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House Appropriations Committee (R)

DATE: June 29, 2016

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.