

Legislative Analysis



NURSING HOME AND HOSPITAL QUALITY ASSURANCE ASSESSMENTS

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Senate Bill 1146 (H-1)

Sponsor: Sen. Robert Emerson

Committee: Appropriations

Date of Analysis: September 29, 2004

A SUMMARY OF SENATE BILL 1146 (H-1) AS PASSED BY THE HOUSE

Senate Bill 1146 would amend the Public Health Code to make several changes to the nursing home and hospital quality assurance assessment programs.

Under the bill, the amount to be retained by the State from the nursing home assessment would be increased from \$18.9 million to \$21.9 million, and the hospital assessment would continue to be \$18.9 million in FY 2004-05. The proposed legislation would also extend the sunset on the hospital quality assurance assessment from September 30, 2004 to September 30, 2007. Lastly, SB 1146 makes several technical changes by deleting references to the amount appropriated for long-term care and hospital services in FY 2002-03.

FISCAL IMPACT:

The revenues generated from the quality assurance assessment fees are used to finance Medicaid payment increases to hospitals and nursing homes, and to offset state GF/GP costs for the Medicaid program.

Without the assessment revenue, hospital and nursing home reimbursement rates would be reduced significantly, or alternative revenue sources would have to be identified to maintain the current payment rates. The bill would maintain the amount of the assessment revenue that the State retains, thereby reducing GF/GP by the same amount that otherwise would be required to fund Medicaid services.

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