

Legislative Analysis



COUNTY MEDICAL CARE FACILITIES MEDICAID MOE RATE LIMITATION

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Senate Bill 611 as passed by the Senate
Sponsor: Sen. Bruce Caswell
Committee: Appropriations

Complete to 2-7-2012

A SUMMARY OF SENATE BILL 611

Brief Description

Senate Bill 611 would amend the Social Welfare Act to extend the current limitation on county maintenance of effort (MOE) rates for Medicaid-funded nursing home services in county-owned medical care facilities through December 31, 2017. The provision is currently scheduled to expire on December 31, 2012.

Background Information

Under current law, counties providing Medicaid-funded nursing home services in county-owned facilities must reimburse the State according to a county MOE rate determined on an annual basis, for each patient day of Medicaid nursing home services. The current formula for determining the MOE rates was placed in the statute in 1984; the 1984 legislation included a limitation on payment rates of counties that otherwise would have seen their payments increase under the new formula. The limitation provision expired in 1989 and it has been reinstated and extended in 1990, 1994, 1995, 1996, 1997, 2000, 2003, 2007, and is scheduled to expire on December 31, 2012.

FISCAL IMPACT:

In FY 2011-12 the Department of Community Health (DCH) anticipates \$7.1 million in local revenue from current county MOE payments and approximately the same amount would continue through December 31, 2017, if SB 611 is passed.

If the current MOE rate limitation were to expire at the end of CY 2012 there would be no effect on the current year DCH budget. But, in FY 2012-13, on January 1, 2013, many of the counties with medical care facilities would begin paying up to \$1.00 per patient day more to the State until the new MOE level specified in the revised formula is reached. This would result in an estimated annualized increase of local revenue to the State of \$1.1 million and an increase in cost to some 35 affected counties.

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