

ECONOMIC IMPACT STATEMENT

Regulation Number: 129-10-31

Regulation Name: Responsibilities of, assessment of, and disbursements for the nursing facility quality care assessment program.

Summary of Proposed Changes: This change would increase the quality care assessment from \$1,500 per bed per year to the statutory limit of \$1,950 per bed per year effective January 1, 2014.

K.S.A. 75-7435 pertains to quality care assessments in skilled nursing care facilities. The statute was amended in 2012 allowing a uniform assessment per licensed bed not to exceed \$1,950. Assessments must be made pursuant to rules and regulations adopted by the Secretary of the Kansas Department of Health and Environment. The annual amount of the assessment is to be paid quarterly, with one fourth due by the 30th day after the end of the month of each calendar quarter.

Federal Mandate: There is no federal mandate.

Economic Impact: It is estimated that the nursing facility quality care assessment will generate \$17,762,000 during state fiscal year (SFY) 2014 without the increased assessment rate. With the increased assessment rate the assessment revenue is projected to be \$20,426,300. The additional \$2,664,300 in assessment revenue would allow for reimbursement system changes resulting in a total of \$5,924,617 of additional program expenditures, including \$3,260,317 in federal matching funds.

With the increased assessment rate the assessment revenue in SFY 2015 is projected to be \$23,090,600. The additional \$5,328,600 in assessment revenue would allow for reimbursement system changes resulting in a total of \$11,849,233 of additional program expenditures, including \$6,520,633 in federal matching funds.

Bearer of Cost: Licensed nursing facilities (including long-term care units attached to hospitals).

Affected Parties: Licensed nursing facilities, nursing facility residents, KDHE, KDADS.

Other Methods: The agencies considered leaving the assessment rate at \$1,500 and also considered adjusting the thresholds for defining small nursing homes and high Medicaid nursing homes. The agencies believe this change will produce the most positive fiscal impact for all stakeholders.