

FIRST REGULAR SESSION

# HOUSE BILL NO. 723

## 92ND GENERAL ASSEMBLY

---

INTRODUCED BY REPRESENTATIVES JETTON, BEHNEN, SUTHERLAND, CROWELL, MAYER, LIPKE, STEVENSON, MUNZLINGER, SANDER, DIXON, WASSON (Co-sponsors), KING, MOORE, WRIGHT, WILSON (130), PRATT, GUEST, DUSENBERG, STEFANICK, SMITH (14), NIEVES, JACKSON, HOBBS, MAY, KINGERY, BEAN, REINHART, BIVINS AND BROWN.

Read 1<sup>st</sup> time April 3, 2003, and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

2140L.011

---

### AN ACT

To amend chapter 208, RSMo, by adding thereto one new section relating to reimbursement of nursing homes, with an emergency clause.

---

*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 208, RSMo, is amended by adding thereto one new section, to be known as section 208.225, to read as follows:

**208.225. 1. To implement fully the provisions of section 208.152, the division of medical services shall recalculate annually the Medicaid per diem reimbursement rates of each nursing home participating in the Medicaid program as a provider of nursing home services based on its costs reported in the Title XIX cost report filed with the division of medical services for its fiscal year preceding the two facility fiscal years preceding the effective date of the recalculated rates, provided however:**

**(1) The recalculated Medicaid per diem reimbursement rate of a nursing home shall not be reduced below the rate allowed on the effective date of the initial recalculation for that nursing home pursuant to this section for the first three years following initial recalculation; and**

**(2) The recalculated Medicaid per diem reimbursement rate of a nursing home shall not be less than ninety dollars per day; and**

**(3) The division of medical services, when recalculating the Medicaid per diem reimbursement rate of any facility, shall not apply to that calculation a minimum utilization adjustment greater than the most current statewide average occupancy of all licensed nursing homes minus three percent.**

17           **2. The recalculation of Medicaid rates to all Missouri facilities will be performed**  
18 **over three state fiscal years in three separate payments beginning July 1, 2003, as follows:**

19           **(1) Effective July 1, 2003, the department of social services shall use the Medicaid**  
20 **cost report containing adjusted costs for the facility fiscal year ending in 2000 and**  
21 **redetermine the allowable per patient day costs for each facility. It will add to that**  
22 **redetermined cost an inflationary factor to update those costs to July 1, 2003. The**  
23 **department shall recalculate the class ceilings in the patient care, one hundred twenty**  
24 **percent of the median; ancillary, one hundred twenty percent of the median; and**  
25 **administration, one hundred ten percent of the median cost centers. Each facility shall**  
26 **receive one third of the amount that it is underpaid based on the recalculated cost**  
27 **determination;**

28           **(2) Effective July 1, 2004, the department shall perform the same calculations**  
29 **described in subdivision (1) of this subsection, except that the calculations will be**  
30 **performed using the Medicaid cost report containing adjusted costs for the facility fiscal**  
31 **year ending in 2001. The facility shall receive one third of the amount that it is underpaid;**

32           **(3) Effective July 1, 2005, the department shall perform the same calculations**  
33 **described in subdivision (1) of this subsection, except that the calculations will be**  
34 **performed using the Medicaid cost report containing adjusted costs for the facility fiscal**  
35 **year ending in 2002. The facility shall receive one third of the amount that it is underpaid;**

36           **(4) Effective July 1, 2006, each facility shall receive a full Medicaid recalculation**  
37 **based upon its 2003 Medicaid cost report of adjusted costs.**

Section B. Because of the need to recalculate Medicaid rates for Missouri facilities,  
2 section A of this act is deemed necessary for the immediate preservation of the public health,  
3 welfare, peace and safety, and is hereby declared to be an emergency act within the meaning of  
4 the constitution, and section A of this act shall be in full force and effect upon its passage and  
5 approval or July 1, 2003, whichever later occurs.