

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4500-01
Bill No.: Perfected SB 1094
Subject: Appropriations; Health Care; Nursing and Boarding Homes
Type: Original
Date: March 7, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Nursing Facility Reimbursement Allowance Fund*	\$0	\$0	\$0
Nursing Facility Quality of Care Fund**	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

*Revenues and expenditures of approximately \$121,000,000 annually net to \$0.

**Revenues and expenditures of approximately \$9,500,000 annually net to \$0.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

*Revenues and expenditures of approximately \$192,000,000 annually net to \$0.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health and Senior Services** assume this proposal would not fiscally impact their agency.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** state that the proposed legislation would extend the sunset of the Nursing Facility Federal Reimbursement Allowance program to September 30, 2005. DMS states it is set to expire on September 30, 2002. DMS states if the extension of the Nursing Facility Federal Reimbursement Allowance does not pass, additional funding would be needed to maintain the current level of services.

Officials from the **Department of Mental Health (DMH)** state that all nursing facilities, except state-owned and operated facilities, are required to pay an additional fee for the privilege to provide nursing facility services in the state of Missouri. Therefore, the fiscal impact to the DMH would be zero.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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**NURSING FACILITY
 REIMBURSEMENT ALLOWANCE
 FUND**

<u>Income - Department of Social Services</u>			
Assessment on Nursing Facilities	\$91,151,207	\$121,534,943	\$121,534,943
<u>Costs - Department of Social Services</u>			
Medicaid Program Costs	<u>(\$91,151,207)</u>	<u>(\$121,534,943)</u>	<u>(\$121,534,943)</u>

**ESTIMATED NET EFFECT ON
 NURSING FACILITY
 REIMBURSEMENT ALLOWANCE
 FUND**

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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NURSING FACILITY QUALITY OF CARE FUND

<u>Transfer in - Department of Social Services</u> Up to 5% from Federal Fund	Unknown up to \$7,197,818	Unknown up to \$9,597,091	Unknown up to \$9,597,091
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<u>Expenditures - Department of Social Services</u> Program Expenditures	(Unknown up to \$7,197,818)	(Unknown up to \$9,597,091)	(Unknown up to \$9,597,091)
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ESTIMATED NET EFFECT ON NURSING FACILITY QUALITY OF CARE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FEDERAL

<u>Income - Department of Social Services</u> Assessment on Nursing Facilities	\$143,956,369	\$191,941,825	\$191,941,825
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<u>Costs - Department of Social Services</u> Medicaid program expenditures	(Unknown up to \$143,956,369)	(Unknown up to \$191,941,825)	(Unknown up to \$191,941,825)
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<u>Transfer out - Department of Social Services</u> To Nursing Facility Quality of Care Fund	(Unknown up to \$7,197,818)	(Unknown up to \$9,597,091)	(Unknown up to \$9,597,091)
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ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

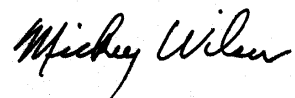
DESCRIPTION

This proposal extends the sunset for the nursing facility reimbursement allowance to September 30, 2005. Current law sunsets the reimbursement allowance on September 30, 2002.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health and Senior Services
Department of Social Services
Department of Mental Health



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Acting Director
March 7, 2002