

HOUSE BILL NO. 978

INTRODUCED BY PHILLIPS, WATERMAN, H.S. HANSON, S. RICE,
HAMMOND, THAYER, JACOBSON, HAGER, HARPER, COBB,
KEATING, ECK, NATHE, J. JOHNSON, RUSSELL

IN THE HOUSE

MARCH 6, 1991 INTRODUCED AND REFERRED TO COMMITTEE
 ON HUMAN SERVICES & AGING.

MARCH 7, 1991 FIRST READING.

MARCH 23, 1991 COMMITTEE RECOMMEND BILL
 DO PASS AS AMENDED. REPORT ADOPTED.

MARCH 25, 1991 PRINTING REPORT.

 ON MOTION, TAKEN FROM SECOND READING
 AND REREFERRED TO THE COMMITTEE
 ON APPROPRIATIONS.

MARCH 27, 1991 COMMITTEE RECOMMEND BILL
 DO PASS. REPORT ADOPTED.

 PRINTING REPORT.

MARCH 28, 1991 SECOND READING, DO PASS.

 ENGROSSING REPORT.

 ON MOTION, RULES SUSPENDED. BILL
 PLACED ON THIRD READING THIS DAY.

 THIRD READING, PASSED.
 AYES, 95; NOES, 4.

 TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 28, 1991 INTRODUCED AND REFERRED TO COMMITTEE
 ON PUBLIC HEALTH, WELFARE, & SAFETY.

 FIRST READING.

APRIL 9, 1991 COMMITTEE RECOMMEND BILL BE
 CONCURRED IN. REPORT ADOPTED.

APRIL 13, 1991 SECOND READING, CONCURRED IN.

APRIL 15, 1991

THIRD READING, CONCURRED IN.
AYES, 48; NOES, 0.

RETURNED TO HOUSE.

IN THE HOUSE

APRIL 16, 1991

RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 HOUSE BILL NO. 978
 2 INTRODUCED BY Phillip Wilson
 3 William Russell Hoger
 4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE
 5 DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES TO SEEK A
 6 WAIVER FROM THE U.S. SECRETARY OF HEALTH AND HUMAN SERVICES
 7 TO ESTABLISH A PILOT PROGRAM TO TEST THE FEASIBILITY OF
 8 PROVIDING MEDICAID REIMBURSEMENT FOR SERVICES TO THE ELDERLY
 9 AND DISABLED IN PERSONAL-CARE FACILITIES; GRANTING THE
 10 DEPARTMENT AUTHORITY TO ADOPT RULES; APPROPRIATING FUNDS;
 11 AND PROVIDING EFFECTIVE DATES AND A TERMINATION DATE."
 12

13 WHEREAS, studies indicate that facilities, such as
 14 personal-care facilities, may enable the elderly and
 15 disabled to avoid placement in long-term care facilities;
 16 and

17 WHEREAS, personal-care facilities in Montana provide an
 18 alternative to placement in long-term care facilities for
 19 those elderly and disabled who are unable to live
 20 independently but who do not require the level of care
 21 provided in long-term care facilities; and

22 WHEREAS, it is prudent to study the cost-effectiveness
 23 of maintaining the elderly and disabled outside a long-term
 24 care facility for as long as possible; and

25 WHEREAS, reimbursements for Medicaid-eligible

1 individuals in personal-care facilities may serve to delay
 2 admittance to a long-term care facility.
 3 THEREFORE, the Legislature finds it appropriate to enact
 4 this bill.

6 STATEMENT OF INTENT

7 A statement of intent is required for this bill because
 8 [section 4] grants the department of social and
 9 rehabilitation services authority to adopt rules to
 10 implement [sections 1 through 3].

11 It is the intent of the legislature, in enacting this
 12 bill, to establish a pilot program to test the feasibility
 13 of providing medicaid reimbursement for services to the
 14 elderly and disabled in personal-care facilities. The pilot
 15 program is prudent because, beginning October 1, 1994,
 16 federal law will allow medicaid reimbursement for services
 17 provided to residents of a personal-care facility.

18 It is intended that, in adopting rules, the department
 19 should define:

- 20 (1) services to be provided under the pilot program;
- 21 (2) persons eligible to receive services under the
 22 program;
- 23 (3) procedures for screening eligible persons to ensure
 24 that personal-care facilities provide the degree of care
 25 required by each person; and



-2- INTRODUCED BILL
 HB 978

1 (4) procedures to select personal-care facilities for
2 participation in the program.

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4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

5 NEW SECTION. **Section 1. Purpose.** The legislature
6 declares that it is the purpose of [sections 1 through 4]
7 to:

8 (1) minimize medicaid admissions of the elderly and
9 disabled to long-term care facilities;

10 (2) make it possible for the elderly and disabled who
11 do not require the degree of care provided in a long-term
12 care facility to receive necessary care in a personal-care
13 facility; and

14 (3) provide the most efficient and effective use of
15 public funds in the delivery of medicaid services to the
16 elderly and disabled.

17 NEW SECTION. **Section 2. Definitions.** As used in
18 [sections 1 through 4], unless the context requires
19 otherwise, the following definitions apply:

20 (1) "Department" means the department of social and
21 rehabilitation services provided for in 2-15-2201.

22 (2) "Disabled" means an individual who is disabled as
23 defined in 42 U.S.C. 1382c.

24 (3) "Elderly" means a person who is 65 years of age or
25 older.

1 (4) "Personal-care facility" means a facility licensed
2 under 50-5-227 to operate as a personal-care facility.

3 NEW SECTION. **Section 3. Waiver of federal**
4 **requirements.** (1) The department shall seek a waiver from
5 the U.S. secretary of health and human services, in
6 accordance with 42 U.S.C. 1396n, to establish a pilot
7 program to test the feasibility of providing medicaid
8 reimbursement for services to the elderly and disabled in
9 personal-care facilities.

10 (2) Contingent upon approval of the waiver provided in
11 subsection (1), the department shall establish procedures
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13 (a) select personal-care facilities to participate in
14 the pilot program, based on criteria contained in the
15 request for proposal;

16 (b) limit the pilot program to a total of 100 beds in
17 at least four personal-care facilities that represent at
18 least three different bed-size classes;

19 (c) provide medicaid reimbursement for services to
20 residents in each personal-care facility who meet the
21 requirements for eligibility adopted under subsection (3);
22 and

23 (d) record and evaluate:

24 (i) reimbursement levels for services in personal-care
25 facilities;

1 (ii) preadmission screening procedures;
 2 (iii) medicaid service utilization;
 3 (iv) consumer satisfaction; and
 4 (v) the impact on the demand for services.
 5 (3) The department shall develop eligibility criteria
 6 consistent with the requirements of Title XIX of the federal
 7 Social Security Act.

8 NEW SECTION. Section 4. Rulemaking. The department may
 9 adopt rules to implement [sections 1 through 4].

10 NEW SECTION. Section 5. Appropriation. The following
 11 money is appropriated to the department of social and
 12 rehabilitation services for the fiscal year ending June 30,
 13 1993, for the purpose of carrying out the provisions of
 14 [this act]:

| 15 <u>Fund</u> | <u>Amount</u> |
|----------------------------|---------------|
| 16 General fund | \$ 60,000 |
| 17 Federal special revenue | 153,523 |
| 18 TOTAL: | \$213,523 |

19 NEW SECTION. Section 6. Codification instruction.
 20 [Sections 1 through 4] are intended to be codified as an
 21 integral part of Title 53, chapter 6, and the provisions of
 22 Title 53, chapter 6, apply to [sections 1 through 4].

23 NEW SECTION. Section 7. Effective dates. (1) [Sections
 24 1 through 4, 6, 8, and this section] are effective July 1,
 25 1991.

1 (2) [Section 5] is effective July 1, 1992, contingent
 2 upon approval of the waiver provided in [section 3] by the
 3 U.S. secretary of health and human services.
 4 NEW SECTION. Section 8. Termination. [This act]
 5 terminates July 1, 1993.

-End-

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0978, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act requiring the Department of Social and Rehabilitation Services to seek a waiver from the U.S. Secretary of Health and Human Services to establish a pilot program to test the feasibility of providing medicaid reimbursement for services to the elderly and disabled in personal-care facilities; granting the department authority to adopt rules.

ASSUMPTIONS:

Department of Family Services:

1. The pilot program outlined in this act will not increase or decrease the number of Social Security eligible individuals who receive a state supplemental payment through the DFS budget.

Department of SRS:

2. There will be 100 beds in the pilot project.
3. The average monthly cost is \$750/person based on phone survey of currently operating facilities.
4. The overall occupancy will be 90%, the same as nursing homes.
5. The medicaid utilization will be 62%, the same as nursing homes.
6. The patient contribution will be \$14.34/day/person, the same as nursing homes.
7. The federal medicaid matching rate will be 28.1% general fund in FY93.
8. The Pilot Project will operate only in FY93.
9. Waiver will be approved by HCFA by July 1, 1992.

FISCAL IMPACT:

Department of Social & Rehabilitation Services:

| | FY 92 | | | FY 93 | | |
|------------------------|--------------------|---------------------|-------------------|--------------------|---------------------|-------------------|
| | <u>Current Law</u> | <u>Proposed Law</u> | <u>Difference</u> | <u>Current Law</u> | <u>Proposed Law</u> | <u>Difference</u> |
| <u>Expenditures:</u> | | | | | | |
| Benefits and Claims | 0 | 0 | 0 | 0 | 210,138 | 210,138 |
| <u>Funding:</u> | | | | | | |
| General Fund | 0 | 0 | 0 | 0 | 59,049 | 59,049 |
| Federal Fund | 0 | 0 | 0 | 0 | 151,089 | 151,089 |
| Total | 0 | 0 | 0 | 0 | 210,138 | 210,138 |
| Impact to General Fund | | | 0 | | | (59,049) |

Rod Sundsted 3/11/91
ROD SUNDSTED, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

John E. Phillips 3-12-91
JOHN E. PHILLIPS, PRIMARY SPONSOR DATE

Fiscal Note for HB0978, as introduced

HB 978-1

APPROVED BY COMM. ON
HUMAN SERVICES AND AGING

HOUSE BILL NO. 978

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WHEREAS, personal-care facilities in Montana provide an
alternative--to--placement--in--long-term--care---facilities
IMPORTANT SERVICE for those elderly and disabled who are
unable to live independently but who do not require the
level of care provided in long-term-- SKILLED AND
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~~care-facility-for-as-long-as-possible~~ WITHIN PERSONAL-CARE
FACILITIES IN ACCORDANCE WITH LICENSURE REGULATIONS; and
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THEREFORE, the Legislature finds it appropriate to enact
this bill.

STATEMENT OF INTENT

A statement of intent is required for this bill because
[section 4] grants the department of social and
rehabilitation services authority to adopt rules to
implement [sections 1 through 3].

It is the intent of the legislature, in enacting this
bill, to establish a pilot program to test the feasibility
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program is prudent because, beginning October 1, 1994,
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6 LICENSURE; and

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13 to:

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18 do not require the degree of care provided in a long-term
19 care facility to receive necessary care in a personal-care
20 facility; and

21 (3) provide the most efficient and effective use of
22 public funds in the delivery of medicaid services to the
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24 NEW SECTION. Section 2. Definitions. As used in
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3 rehabilitation services provided for in 2-15-2201.

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7 older.

8 (4) "Personal-care facility" means a facility licensed
9 under 50-5-227 to operate as a personal-care facility.

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22 request for proposal;

23 (b) limit the pilot program to a total of 100 beds in
24 at least four personal-care facilities that represent at
25 least three different bed-size classes;

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2 residents in each personal-care facility who meet the
3 requirements for eligibility adopted under subsection (3);
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6 (i) reimbursement levels for services in personal-care
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8 (II) THE COST OF PROVIDING PERSONAL-CARE FACILITY
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10 ~~(iii)~~(III) preadmission screening procedures;

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18 subsection (1), the department shall establish procedures
19 to:

20 (a) select personal-care facilities to participate in
21 the pilot program, based on criteria contained in the
22 request for proposal;

23 (b) limit the pilot program to a total of 100 beds in
24 at least four personal-care facilities that represent at
25 least three different bed-size classes;

1 (c) provide medicaid reimbursement for services to
2 residents in each personal-care facility who meet the
3 requirements for eligibility adopted under subsection (3);
4 and

5 (d) record and evaluate:

6 (i) reimbursement levels for services in personal-care
7 facilities;

8 (II) THE COST OF PROVIDING PERSONAL-CARE FACILITY
9 SERVICES;

10 ~~+++~~(III) preadmission screening procedures;

11 ~~+++~~(IV) medicaid service utilization;

12 ~~++~~(V) consumer satisfaction; and

13 ~~+~~(VI) the impact on the demand for services.

14 (3) The department shall develop eligibility criteria
15 consistent with the requirements of Title XIX of the federal
16 Social Security Act.

17 NEW SECTION. Section 4. Rulemaking. The department may
18 adopt rules to implement [sections 1 through 4].

19 NEW SECTION. Section 5. Appropriation. The following
20 money is appropriated to the department of social and
21 rehabilitation services for the fiscal year ending June 30,
22 1993, for the purpose of carrying out the provisions of
23 [this act]:

| <u>Fund</u> | <u>Amount</u> |
|-----------------|---------------|
| 24 General fund | \$ 60,000 |

| | |
|---------------------------|-----------|
| 1 Federal special revenue | 153,523 |
| 2 TOTAL: | \$213,523 |

3 NEW SECTION. Section 6. Codification instruction.
4 [Sections 1 through 4] are intended to be codified as an
5 integral part of Title 53, chapter 6, and the provisions of
6 Title 53, chapter 6, apply to [sections 1 through 4].

7 NEW SECTION. Section 7. Effective dates. (1) [Sections
8 1 through 4, 6, 8, and this section] are effective July 1,
9 1991.

10 (2) [Section 5] is effective July 1, 1992, contingent
11 upon approval of the waiver provided in [section 3] by the
12 U.S. secretary of health and human services.

13 NEW SECTION. Section 8. Termination. [This act]
14 terminates July 1, 1993.

-End-