

MINUTES

MONTANA SENATE 52ND LEGISLATURE - REGULAR SESSION CONFERENCE COMMITTEE ON HOUSE BILL 93

Call to Order: The members of the Conference Committee met on April 23, 1991 at 2:30 p.m. in room 331.

ROLL CALL

Members Present:

Senator Eleanor Vaughn, Chair	Rep. Dorothy Bradley, Chair
Senator Gene Thayer	Rep. Carolyn Squires
Senator Francis Koehnke	Rep. Fred Thomas, substitute for John Cobb

Others Present:

Tom Gomez, Legislative Council
Mike Hanshew
Julie Robinson
Rep. Mike Kadas
Rose Hughes

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

CONFERENCE ACTION ON HOUSE BILL 93

Julie Robinson went through the amendments and said this bill does several things. This bill gives the nursing homes more money. You have covered all the costs of the rebase, plus the additional money that the nursing homes wanted, plus the out year obligation and in addition, it gives the general fund an extra \$500,000 in this biennium. If this fee collapses and the government takes it away, then you have the general fund obligation to speak to. These amendments meet the requests we heard. She had not talked to the Governor about this bill.

Senator Vaughn asked what proposals were worked over and what do they look like?

Mike Hanshew tried to get the fee at a level in the second year and looked at redistributing expenditures consistent with the

amendment Rep. Thomas proposed. Some combination of those that would eliminate the unfunded out year obligation that this proposal had and at the same time raise additional money. He came up with a fee of \$1.00 per day the first year and \$2.00 per day the second year and at the same time redistribute some of the expenditures back to the first year so they don't feel the base as much. You can fully fund any out year obligation that you might incur so you can fully fund the 2% in 1994 and fixing the bed base and all those things that are in this modification you can fund all of that from the revenue from the fee. It doesn't require any additional general fund in 1994 to maintain it. At the same time this proposal would raise an additional \$300,000 beyond the \$2 million more than the current bill raises, and it raises almost \$500,000 more than the executive raises..

Representative Bradley asked about the 2%. Mike Hanshew answered that it funds everything in House Bill 93 as it is now. Representative Bradley asked if it provides \$1.8 million for the rebase? Mike Hanshew responded that \$1.8 million is covered plus the excess of \$500,000. Mr. Hanshew said this bill raises \$300,000 beyond the current bill, and it raises \$500,000 more than the original executive proposal.

Julie Robinson said it raises \$2.4 million dollars to spend on the rebase, when compared to the executive. They have \$4.4 million in there and you can subtract out \$2.4 million. In House Bill 2 there is \$4.4 million and this would do that.

Mike Hanshew said that the important part is, after you have paid for the increased fee, you have raised \$1.8 million. In the bill as presently written after you pay for everything that is in the bill, you raise \$2,950,000. In this proposal you would raise about \$2.4 million.

Julie Robinson said the reason it is difficult to tie to House Bill 2 is, this is money that goes to the general fund, and basically they should fund it in House bill 2.

Representative Bradley said let me take the biennium as a whole. In House Bill 2 we have \$4.5 million general fund dollars. If the original executive agreement passed, \$1.8 of that would be raised by this sum. She said that is the whole nursing home budget for the biennium. What is the whole biennium nursing home fund that you are presently discussing? How many general fund dollars and how much will be raised by the tax?

Mike Hanshew said it's about \$6.9 million and raised by the fee under this would be \$4.9 million for the biennium.

Rep. Bradley said he has a safety valve with an amendatory veto.

Julie Robinson said their trouble with all these different meetings on this bill is if the Governor does not get the bill before you all go home, there is no amendatory veto. She is concerned about delaying too long.

Rep. Squires asked if the 2% is still built into this bill? Senator Koehnke said it's a dollar amount equivalent of the 2%.

Senator Vaughn said the House Bill 2 conferees could take like amount or more out of the nursing home budget. There is no assurance that that won't happen even if we do this.

Rep. Kadas said that could happen any day.

Senator Thayer asked if we should recede from these amendments and let House Bill 2 conferees do what they are going to do anyway? At least this would be moving forward and not stymied in the process.

Rep. Thomas said this is a good compromise, so let's deal with this bill.

Rep. Kadas said the conferees appreciate your efforts on behalf of the Nursing Homes. At least, the Nursing Home industry is trying to make an effort with this bill and that will help my decision in rebasing here and rebasing in about 3 other areas.

Senator Vaughn asked how long it would take to prepare the amendments. Mike Hanshew said he needs direction on the \$1.00 and \$2.00.

Rep. Bradley said Mr. Gomez can write the Conference Committee Report and he'll get the signatures.

The committee will recess until 4:30, at which time Mr. Gomez will have written the amendments and shown them to all the interested participants.

Senator Vaughn said we have a motion to get these amendments drafted and come back at 4:30 to review them. The VOTE was UNANIMOUS.

4:30 Reconvene:

Senator Vaughn said that everyone had been given a copy of the amendments and the nursing home people have read them. It seems to be what we agreed upon today that it would save this bill and

keep them from getting quite so much in the first year and more in the second year and still keep it sound for what they needed. We still have no assurance of what will happen to House Bill 2, but hopefully this will be considered with that. We need to reinsert the Senate amendments that the House rejected.

Senator Thayer asked if this is a free conference committee? If we decide this, it would be done that way in the morning.

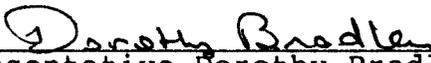
Senator Thayer moved that the House accept the Senate amendments that were put on House Bill 93. The VOTE was UNANIMOUS.

Representative Bradley moved that we accept her amendment to House Bill 93 as discussed. The VOTE was UNANIMOUS in favor of the changes. Senator Vaughn said tomorrow morning it will be in a Free Conference Committee and Mr. Gomez will handle these amendments and get the signatures on the committee report.

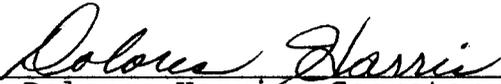
Adjourned: 5:25 p.m.



Senator Eleanor L. Vaughn, Chair



Representative Dorothy Bradley, Chair



Dolores Harris, Secretary

Amendments to House Bill No. 93
Reference Copy

Requested by Representative Dorothy Bradley
For the Free Conference Committee on House Bill No. 93

Prepared by Tom Gomez
April 23, 1991

1. Page 5, line 16.

Following: "~~\$1~~"

Strike: "\$1.25"

Insert: "\$1"

2. Page 5, line 17.

Following: "AND"

Strike: "\$1.50"

Insert: "\$2"

3. Page 5, line 18.

Following: "~~THEREAFTER~~"

Insert: "and each year thereafter"

4. Page 15, line 4.

Strike: "\$ 923,626"

Insert: "\$1,239,048"

5. Page 15, line 5.

Strike: "2,341,223"

Insert: "3,140,761"

6. Page 15, line 6.

Strike: "\$3,264,849"

Insert: "\$4,379,809"

7. Page 15, line 10.

Strike: "\$ 1,465,300"

Insert: "\$1,253,979"

8. Page 15, line 11.

Strike: "3,749,294"

Insert: "3,208,580"

9. Page 15, line 12.

Strike: "\$5,214,594"

Insert: "\$4,462,559"

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0093, third reading.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to impose a utilization fee on nursing facilities for bed days reimbursed by third-party payors beginning in fiscal year 1992; to authorize the Department of Revenue to collect the fee; to provide for the assessment, collection, and refund of the fee; to require proceeds from the fee to be used for certain medicaid reimbursements.

ASSUMPTIONS:

1. There are 98 licensed facilities in Montana with a total of 7,194 licensed beds (SRS).
2. The average bed daily occupancy rate is 90% (SRS).
3. Approximately 69% of all nursing facility patients' costs are paid by a third party (SRS).
4. The fee does not apply to facilities licensed to provide intermediate developmental disability care.
5. The utilization fee is \$1.25 per third-party payor bed day in FY92 and \$1.50 during FY93.

FISCAL IMPACT:

Department of Revenue

Expenditures:	FY 92			FY 93		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
FTE	0.00	0.06	0.06	0.00	0.25	0.25
Personal Services	0	287	287	0	3,898	3,898
Equipment Costs	0	4,430	4,430	0	0	0
Operating Costs	0	585	585	0	355	355
Total	0	5,302	5,302	0	4,253	4,253
<u>Funding</u>						
General Fund	0	5,302	5,302	0	4,253	4,253

Department of Social and Rehabilitation Services

Benefits & Claims	0	3,264,849	3,264,849	0	5,214,594	5,214,594
<u>Funding:</u>						
Utilization fee (02)	0	923,626	923,626	0	1,465,301	1,465,301
Federal Funds	0	2,341,223	2,341,223	0	3,749,293	3,749,293
Total	0	3,264,849	3,264,849	0	5,214,594	5,214,594

Revenues:

Nursing Fac. Util. Fee (02)	0	2,038,000	2,038,000	0	2,446,000	2,446,000
Excess Fee to General Fund		1,114,374	1,114,374		980,699	980,699

Net Impact to General Fund (Increase)

Bob Sandstedt 4/13/91
ROD SUNDSTEDT, BUDGET DIRECTOR
Office of Budget and Program Planning

Cobb
JOHN COBB, PRIMARY SPONSOR
DATE 4/15/91

Fiscal Note for HB0093, third reading
HB 93-#2

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
April 13, 1991

MR. PRESIDENT:

We, your committee on Taxation having had under consideration House Bill No. 93 (third reading copy -- blue), respectfully report that House Bill No. 93 be amended and as so amended be concurred in:

1. Title, lines 13 and 14.

Strike: "USED" on line 13 through "REIMBURSEMENTS" on line 14

Insert: "DEPOSITED IN THE GENERAL FUND"

2. Title, line 15.

Following: "AND"

Strike: "∟"

Insert: "AND"

3. Title, lines 16 and 17.

Following: "DATE" on line 16

Strike: remainder of line 16 through "DATE" on line 17

4. Page 14, lines 11 through 13.

Strike: "AN" on line 11 through "FACILITIES" on line 13

Insert: "the state general fund"

5. Page 14, line 23.

Strike: "FROM" through "∟"

6. Page 15, line 4.

Strike: "STATE SPECIAL REVENUE FUNDS"

Insert: "state general fund"

7. Page 15, line 10.

Strike: "STATE SPECIAL REVENUE FUNDS"

Insert: "state general fund"

8. Page 17, line 13.

Strike: "∟, 23"

9. Page 17, lines 21 and 22.

Strike: section 23 in its entirety

*Laughlin
Kochanek
Cheney*

Signed: *Mike Halligan*
Mike Halligan, Chairman

MA 4-13-91
Amd. Coord.
SB 4-13
Sec. of Senate

SENATE
HB 93

1 HOUSE BILL NO. 193
 2 INTRODUCED BY COBB
 3 BY REQUEST OF THE DEPARTMENT OF SOCIAL
 4 AND REHABILITATION SERVICES
 5
 6 A BILL FOR AN ACT ENTITLED: "AN ACT TO IMPOSE A UTILIZATION
 7 FEE ON EACH-NURSING-PACIENT NURSING FACILITIES FOR EACH-BED
 8 DAY BED DAYS REIMBURSED BY THIRD-PARTY PAYORS BEGINNING IN
 9 FISCAL YEAR 1993 1992; TO AUTHORIZE THE DEPARTMENT OF
 10 REVENUE TO COLLECT THE FEE; TO PROVIDE FOR THE ASSESSMENT,
 11 COLLECTION, AND REFUND OF THE FEE; TO REQUIRE PROCEEDS FROM
 12 THE FEE TO BE DEPOSITED IN THE GENERAL FUND USED FOR CERTAIN
 13 MEDICAID-REIMBURSEMENTS DEPOSITED IN THE GENERAL FUND USED
 14 FOR CERTAIN-MEDICAID-REIMBURSEMENTS DEPOSITED IN THE GENERAL
 15 FUND; TO PROVIDE AN APPROPRIATION; AND PROVIDING EFFECTIVE
 16 DATES, AND AN APPLICABILITY DATE--AND--A--TERMINATION
 17 DATE--AND--A--TERMINATION--DATE."

18
 19 WHEREAS, THE LEGISLATURE RECOGNIZES THAT THE FAILURE TO
 20 FULLY FUND THE COST OF NURSING HOME CARE FOR MEDICAID
 21 BENEFICIARIES CREATES A BURDEN ON INDIVIDUALS WHO PAY
 22 PRIVATELY FOR NURSING HOME CARE BY SHIFTING COST FROM
 23 MEDICAID TO NON-MEDICAID RESIDENTS IN OUR STATE'S NURSING
 24 HOMES; AND

25 WHEREAS, THE STATE HAS THE POTENTIAL OF FACING A LAWSUIT

1 FROM NURSING HOMES IF THE LEGISLATURE FAILS TO FULLY FUND
 2 THE COST OF NURSING HOME CARE; AND
 3 WHEREAS, THE LEGISLATURE DESIRES TO ALLEVIATE THE
 4 COST-SHIFTING FROM MEDICAID TO OTHER PATIENTS, WHILE BEARING
 5 IN MIND THE FINANCIAL CIRCUMSTANCES FACING THE STATE; AND
 6 WHEREAS, IT IS THE INTENT OF THE LEGISLATURE TO FIND
 7 CREATIVE FINANCING SOLUTIONS AND TO MAXIMIZE FEDERAL
 8 PARTICIPATION IN THE COST OF PROGRAMS WHEREVER POSSIBLE; AND
 9 WHEREAS, IT IS THE INTENT OF THE LEGISLATURE TO USE THE
 10 UTILIZATION FEE ESTABLISHED IN THIS BILL AS A MEANS OF
 11 PROVIDING ADDITIONAL MEDICAID REIMBURSEMENTS TO NURSING
 12 HOMES; AND
 13 WHEREAS, IT IS THE INTENT OF THE LEGISLATURE THAT
 14 NURSING HOMES CAREFULLY CONSIDER THE INCREASED MEDICAID
 15 REVENUES MADE AVAILABLE BY THIS LEGISLATION WHEN DETERMINING
 16 REASONABLE RATES TO BE CHARGED TO NON-MEDICAID PATIENTS IN
 17 THEIR FACILITIES; AND
 18 WHEREAS, THE LEGISLATURE ENACTS THE FOLLOWING
 19 LEGISLATION AS A MEANS OF RELIEVING PRIVATELY PAYING
 20 INDIVIDUALS IN NURSING HOMES FROM THE BURDEN OF COSTS
 21 SHIFTED FROM THE MEDICAID PROGRAM AND OF MAXIMIZING FEDERAL
 22 FUNDING OF THIS PROGRAM.

STATEMENT OF INTENT

A statement of intent is required for this bill because

