

FISCAL NOTE

Return in triplicate)

Bill/Resolution No.: HB 1096 Amendment to: _____

Requested by Legislative Council Date of Request: 12/28/92

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, and cities.

Narrative:

Implementing 95% occupancy limits, which would apply to only the property and the indirect components of nursing home rates, will save \$462,935. See attached.

2. State fiscal effect in dollar amounts:

1991-93 <u>Biennium</u>		1993-95 <u>Biennium</u>		1995-97 <u>Biennium</u>	
<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>

Revenues:

Expenditures: -0- -0- (117,477) (345,458) (132,963) (375,929)

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1991-93 biennium: -0-
- b. For the 1993-95 biennium: (462,935)
- c. For the 1995-97 biennium: (508,892)

4. County and City fiscal effect in dollar amounts:

1991-93 <u>Biennium</u>		1993-95 <u>Biennium</u>		1995-97 <u>Biennium</u>	
<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>
		(17,725)		(20,062)	

If additional space is needed, attach a supplemental sheet.

Date Prepared: 1/12/93

Signed 

Typed Name MIKE SCHWINDT

Department HUMAN SERVICES

Phone Number 224-2330

HOUSE BILL 1096 (Attachment)

The fiscal impact of increasing the occupancy limit for property and indirect rates from 90% to 95% is a savings in total funds to the Medicaid program of \$462,935 in the 1993-95 biennium and \$508,892 in the 1995-97 biennium. This was estimated based on the rates effective 1/1/93 and historical census at 6/30/92. Annual property rates of \$55,001 based on 6/30/92 cost reports include no inflation and are assumed to remain the same over the next four years. The base used for the indirect annual Medicaid rate was derived from the LTC cost statements for calendar year 1992 used to set rates for calendar year 1993 which was \$165,734. The indirect rate was inflated 6.4% for 1994, 6.3% for 1995, 6.3% for 1996 and 6.3% for 1997. The department would implement the 95% occupancy limitation on July 1993.

The computations were as follows:

	Total	1993-95 Biennium	1995-97 Biennium
Total	\$971,827	\$462,935	\$508,892
Federal	683,600	327,733	355,867
State	250,440	117,477	132,963
County	37,787	17,725	20,062

1993-95 Biennium - Indirect Rate

		Total	Federal	State	County
72.21% July - September 1993	$1/4 \times 165,734 =$	\$41,433	\$29,919	\$10,004	\$1,510
71.13% October - December 1993	$1/4 \times 165,734 =$	41,434	29,472	10,394	1,568
71.13% January - September 1994	$3/4 \times 176,341 =$	132,256	94,074	33,176	5,006
69.93% October - December 1994	$1/4 \times 176,341 =$	44,085	30,829	11,518	1,738
69.93% January - June 1995	$1/2 \times 187,450 =$	93,725	65,542	24,488	3,695
		\$352,933	\$249,836	\$89,580	\$13,517

1995-97 Biennium - Indirect Rate

		Total	Federal	State	County
69.93% July - September 1995	$1/4 \times 187,450 =$	\$46,862	\$32,771	\$12,244	\$1,847
69.93% October - December 1995	$1/4 \times 187,450 =$	46,863	32,771	12,244	1,848
69.93% January - September 1996	$3/4 \times 199,259 =$	149,444	104,506	39,046	5,892
69.93% October - December 1996	$1/4 \times 199,259 =$	49,815	34,836	13,015	1,964
69.93% January - June 1997	$1/2 \times 211,812 =$	105,906	74,060	27,671	4,175
		\$398,890	\$278,944	\$104,220	\$15,726

CY 93 165,734
 CY 94 $165,734 \times 1.064 = 176,341$
 CY 95 $176,341 \times 1.063 = 187,450$
 CY 96 $187,450 \times 1.063 = 199,259$
 CY 97 $199,259 \times 1.063 = 211,812$

1993-95 Biennium - Property Rate

		Total	Federal	State	County
72.21% July - September 1993	$1/4 \times 55,001 =$	\$13,750	\$9,929	\$3,320	\$501
71.13% October - December 1993	$1/4 \times 55,001 =$	13,750	9,780	3,450	520
71.13% January - September 1994	$3/4 \times 55,001 =$	41,251	29,342	10,348	1,561
69.93% October - December 1994	$1/4 \times 55,001 =$	13,750	9,615	3,593	542
69.93% January - June 1995	$1/2 \times 55,001 =$	27,501	19,231	7,186	1,084
		\$110,002	\$77,897	\$27,897	\$4,208

1995-97 Biennium - Property Rate

		Total	Federal	State	County
69.93% July - September 1995	$1/4 \times 55,001 =$	\$13,750	\$9,615	\$3,593	\$542
69.93% October - December 1995	$1/4 \times 55,001 =$	13,750	9,615	3,593	542
69.93% January - September 1996	$3/4 \times 55,001 =$	41,251	28,847	10,778	1,626
69.93% October - December 1996	$1/4 \times 55,001 =$	13,750	9,615	3,593	542
69.93% January - June 1997	$1/2 \times 55,001 =$	27,501	19,231	7,186	1,084
		\$110,002	\$76,923	\$28,743	\$4,336