

SB 1103

Measure Title: MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HUMAN SERVICES FROM THE NURSING FACILITY SUSTAINABILITY PROGRAM SPECIAL FUND.

Report Title: Emergency Appropriation; Nursing Facility Sustainability Program Special Fund

Description: Appropriates the sum of \$12,000,000, or so much thereof as may be necessary for fiscal year 2012–2013, out of the Nursing Facility Sustainability Program Special Fund with such moneys to be used consistent with the Nursing Facility Sustainability Program Special Fund, including the reimbursement of moneys advanced for those purposes in fiscal year 2012-2013 from the health care payments program (HMS 401).

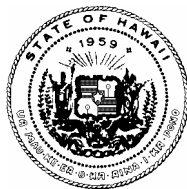
Companion: HB872

Package: Gov

Current Referral: HMS, WAM

Introducer(s): KIM (Introduced by request of another party)

NEIL ABERCROMBIE
GOVERNOR



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February 5, 2013

TO: The Honorable Suzanne Chun Oakland, Chair
Senate Committee on Human Services

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 1103 – MAKING AN EMERGENCY APPROPRIATION TO
THE DEPARTMENT OF HUMAN SERVICES FROM THE
NURSING FACILITY SUSTAINABILITY PROGRAM SPECIAL
FUND**

Hearing: Tuesday, February 5, 2013; 1:15 p.m.
Conference Room 016, State Capitol

PURPOSE: The purpose of S.B. 1103 is to appropriate the sum of \$12,000,000, or so much thereof as may be necessary for fiscal year 2012–2013, out of the Nursing Facility Sustainability Program Special Fund with such moneys to be used consistent with the Nursing Facility Sustainability Program Special Fund, including the reimbursement of moneys advanced for those purposes in fiscal year 2012-2013 from the health care payments program (HMS 401).

DEPARTMENT'S POSITION: The Department of Human Services (DHS) strongly supports this Administration bill that would not require any new appropriation of general funds. Due to a technical omission, the Nursing Facility Sustainability Program enacted last year did not include the authorization to expend from the special fund monies received from fees that were deposited into it.

The Nursing Facility Sustainability Program was established through Act 156 in the 2012 legislative session. The program allows the DHS to assess fees on nursing facilities and utilize the monies received to draw down federal dollars for supplemental payments to the nursing facilities, passed through the Medicaid contracted health plans, in order to help offset their uncompensated care.

The DHS has used monies out of Medicaid's health care payments program (HMS 401) to make the supplemental payments so that payments to nursing facilities would not be delayed due to the technical issue. This bill allows funds from the Special Fund to be used to reimburse Medicaid's HMS 401 account for monies already advanced and for the required supplemental payments for the rest of fiscal year 2012-2013.

Without the authorization to expend monies out of the special fund, the DHS will not be able to continue making supplemental payments to nursing facilities and will face a shortfall for the monies it advanced in good faith and in the spirit of the intent of Act 156.

Thank you for the opportunity to provide testimony on this bill.