

**LSA NUMBER:** #11-50

**TITLE:** Medicaid Services—Nursing Facility Services

**DIVISION:** Office of Medicaid Policy and Planning

**PREPARED BY:** Program Staff: Tracy Nguyen and Joy Heim

**OVERVIEW OF RULE:**

This rule repeals 405 IAC 5-31-8, which provided for Medicaid reimbursement to nursing facility providers for reserving beds for Medicaid recipients at one-half (1/2) the per diem rate when the Medicaid recipient is not present in the facility due to a hospital stay or leave of absence for therapeutic reasons. This repeal of the reserve beds rule began on February 1, 2011, via an emergency rule promulgation.

**FISCAL IMPACT:**

The estimated decrease in annual Medicaid expenditures as a result of this rule amendment is as follows:

	SFY 2011	SFY 2012	SFY 2013
Total Medicaid	\$1,000,000	\$2,520,000	\$2,550,000
Federal Share	\$720,000	\$1,690,000	\$1,710,000
State Share	\$280,000	\$840,000	\$840,000

**ECONOMIC IMPACT:**

Currently, Medicaid reimburses nursing facility providers at one-half (1/2) the regular Medicaid per diem rate for reserving a bed when a Medicaid recipient is not present in the facility due to a hospital stay or leave of absence for therapeutic reasons if their occupancy rate is 90% or greater. This rule amendment would eliminate the payment for reserve days. The FSSA OMPP is proceeding with this proposed rule due to budgetary constraints. The resulting savings of this proposed rule will help FSSA OMPP in meeting budgetary obligations. The outcome of this proposed rule. The FSSA OMPP has not involved outside entities in the development of this rule.

There are 465 nursing facilities that provided \$1,073 million of nursing facility services under the Indiana Medicaid program for state fiscal year 2010.

The proposed rule does not directly increase administrative or compliance costs for regulated entities. However, a reduction in reimbursement may result in a loss of profit for some providers. This loss of profit may lead some providers to change business practices or some providers may choose to no longer be Medicaid providers.

**OPPONENTS:**

**PROPOSERS:** OMPP

**RECOMMENDATIONS:** None.

**PUBLIC HEARING COMMENTS:** The public hearing will be scheduled once the agency receives authorization to proceed from the Legislative Services Agency, which is estimated to be in early April 2011.