



General Assembly

February Session, 2004

**Raised Bill No. 565**

LCO No. 2256

\*02256\_\_\_\_\_PH\_\*

Referred to Committee on Public Health

Introduced by:  
(PH)

**AN ACT CONCERNING A NURSING FACILITY USER FEE.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) (a) For purposes of this  
2 section, a "nursing facility" means a chronic and convalescent nursing  
3 home or rest home with nursing supervision licensed by the  
4 Department of Public Health.

5 (b) The Department of Social Services shall assess a user fee of  
6 fourteen dollars per patient day on the revenues of each nursing  
7 facility that is not exempt pursuant to subsection (d) of this section.  
8 Patient days shall include all days for patients who are paying  
9 privately or whose care is paid for by private insurance or by the  
10 Medicaid program, but does not include days for patients whose care  
11 is covered by Medicare. The cost of the user fee shall be an allowable  
12 cost for the purpose of Medicaid reimbursement.

13 (c) All amounts collected by the department pursuant to this section  
14 and all federal matching funds for such amounts, shall be used solely  
15 to promote the well-being of the residents of nursing facilities, improve  
16 working conditions for staff and protect the financial stability of

17 nursing facilities through increased reimbursement to nursing  
18 facilities, as follows:

19 (1) Rebasing of nursing facility costs to the cost year ending  
20 September 30, 2003;

21 (2) Efficiency incentives to reward cost-effective facilities;

22 (3) Enhanced wages and benefits to enable nursing facilities to  
23 attract and retain qualified staff or to increase staff; and

24 (4) An annual inflation adjustment equal to the actual inflation of  
25 costs for nursing facilities.

26 (d) The department shall publish an annual accounting of funds  
27 received under this user fee program, the amount of federal matching  
28 funds associated with the user fee and the ways in which these funds  
29 were utilized to improve the adequacy of payments to nursing  
30 facilities.

31 (e) On or before April 30, 2004, the Commissioner of Social Services  
32 shall request approval from the Centers for Medicare and Medicaid  
33 Services for a waiver of federal requirements for broad-based user fees,  
34 to exempt certain nursing facilities. The waiver request shall comply  
35 with the requirements of 42 CFR 433.68(e).

This act shall take effect as follows:	
Section 1	<i>from passage</i>

**Statement of Purpose:**

To initiate a user fee to be paid by nursing facilities.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*