



Senate

General Assembly

File No. 588

February Session, 2012

Substitute Senate Bill No. 233

Senate, April 24, 2012

The Committee on Appropriations reported through SEN. HARP of the 10th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING ADVANCE PAYMENTS TO NURSING FACILITIES FOR UNCOMPENSATED CARE.

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

1 Section 1. Section 17b-340c of the 2012 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective July 1, 2012*):

4 (a) The Commissioner of Social Services may, upon the request of a
5 nursing facility providing services eligible for payment under the
6 medical assistance program and after consultation with the Secretary
7 of the Office of Policy and Management, make a payment to such
8 nursing facility in advance of normal bill payment processing,
9 provided such advance shall not exceed estimated amounts due to
10 such nursing facility for services provided to eligible recipients over
11 the most recent two-month period. The commissioner shall recover
12 such payment through reductions to payments due to such nursing
13 facility or cash receipt not later than ninety days after issuance of such
14 payment. The commissioner shall take prudent measures to assure that

15 such advance payments are not provided to any nursing facility that is
16 at risk of bankruptcy or insolvency, and may execute agreements
17 appropriate for the security of repayment.

18 (b) The Commissioner of Social Services shall make an advance
19 payment to a nursing facility, upon the facility's request, whenever the
20 facility is providing eligible, uncompensated services to one or more
21 consumers (1) whose application for long-term care medical assistance
22 has been pending for more than one year, or (2) when payment has not
23 been made to the facility within thirty days of an approved
24 application. Any such advance payment shall not exceed fifty per cent
25 of the estimated amount due. Not later than thirty days after any such
26 application is granted and payment has been made to the facility, the
27 commissioner shall recover advance payments by reducing payments
28 due to the facility.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2012	17b-340c

APP *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 13 \$	FY 14 \$
Social Services, Dept.	GF - Cost Shift Between Fiscal Years	Potential Significant	Potential Significant

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill will result in a Medicaid cost shift between fiscal years associated with accelerating advance payments to nursing facilities providing uncompensated services for certain individuals. Nursing facilities do not currently receive payments from the Department of Social Services (DSS) until the individual in their care is deemed Medicaid eligible. The bill requires DSS to pay 50% of the cost of an individual's care after 1) an application has been pending for more than one year, or 2) a facility has not received payment within 30 days of application approval. DSS is required to recover advance payments by reducing payments due to the facility not later than 30 days after any Medicaid application is granted and payment has been made to the facility. Therefore, while the bill changes the timeframe in which payments are currently made, it does not change the total payment amount over time.

As of November 2011, there were 230 nursing facilities with an average daily Medicaid rate of approximately \$200.¹ For purposes of an example, an advance payment for one Medicaid bed for a full year

¹ Calculation based on chronic and convalescent homes data contained in the Department of Social Services Nursing Home 2012 budget file.

at 50% cost would be approximately \$36,500. The total advance payment would be based on the number of Medicaid applications pending for more than one year as well as the number of individuals for whom facilities have not received payment within 30 days of application approval.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**SB 233*****AN ACT CONCERNING ADVANCE PAYMENTS TO NURSING FACILITIES FOR UNCOMPENSATED CARE.*****SUMMARY:**

By law, the Department of Social Services (DSS) commissioner may make advance Medicaid payments to skilled nursing facilities (licensed chronic and convalescent nursing homes or rest homes with nursing supervision) after consulting with the Office of Policy and Management secretary. The purpose of these payments is to reduce the impact of providing free (uncompensated) care to residents whose Medicaid eligibility determinations or initial payments are delayed.

The law requires the commissioner to take prudent measures to assure that advances are not given to nursing homes that are at risk of bankruptcy or insolvency. The commissioner may sign security agreements ensuring repayments.

The bill requires the advance payments to facilities when (1) at least one resident has waited more than one year for an eligibility determination or (2) the facility has not received payment within 30 days after approval of a resident's Medicaid application. Under the bill, the commissioner must (1) limit these payments to 50% of the estimated cost of caring for the resident and (2) begin, within 30 days of the nursing's home's receipt of the past-due Medicaid payment, to recoup the department's advances by reducing payments the facility would otherwise have received. Unlike discretionary payments, the commissioner is not required to accept receipts in repayment for automatic advances.

EFFECTIVE DATE: July 1, 2012

COMPARISON OF EXISTING LAW AND THE BILL

Table 1 compares the differences between discretionary advances under existing law with automatic advances under the bill.

Table 1: Comparison of Existing Law and the Bill

Features	Existing Law	Bill
Approval Process	Discretionary DSS must (a) consult the Office of Policy and Management secretary and (b) take prudent measures to assure that requesting facilities are not at risk for bankruptcy or insolvency	Automatic if : (a) at least one resident's Medicaid application has been pending for more than one year or (b) the facility has not been paid within 30 days of an approved application
Payment Amount	100% of estimated costs	50% of estimated costs
Maximum Period Covered	Most recent two months	Not specified
Repayment Deadline	Within 90 days of receipt of advance	Within 30 days of (a) Medicaid application approval and (b) facility's receipt of Medicaid payment
Payment Protections	DSS may execute security agreements to assure repayment	None specified

BACKGROUND

Related Bill

sHB 5283, reported favorably by the Human Services Committee, permits DSS to waive the law's advance payment limits and repayment deadlines for nursing homes under receivership.

COMMITTEE ACTION

Human Services Committee

Joint Favorable

Yea 17 Nay 0 (03/13/2012)

Appropriations Committee

Joint Favorable Substitute

Yea 48 Nay 0 (04/13/2012)