

941
FISCAL NOTE (Form 2)
(Office of Fiscal Analysis)
Analyst: LV/MG 4/22/92
tk
Version:

BILL NUMBER: SHB 5856
FILE NUMBER:
AMENDMENTS:

TITLE: "AN ACT CONCERNING NURSING HOME COSTS"

FAVORABLY REPORTED BY Human Services, Appropriations

EFFECTIVE DATE: 7/1/92

* * * * *

FISCAL IMPACT STATEMENT - BILL NUMBER SHB 5856

STATE IMPACT Yes, see explanation below
MUNICIPAL IMPACT None
STATE AGENCY(S) Department of Income Maintenance,
Department of Health Services

EXPLANATION OF ESTIMATES:

The fiscal impact resulting from the adoption of this bill is as indicated below:

Section I Minimal savings - The savings results as it is anticipated to extend the length of time a person will be covered by insurance and hence decrease State costs.

Section II Savings in the amount of \$1.5 million.

Section III Savings which cannot be quantified at this time. The amount of savings will depend on the extent to which individual payment rates are adjusted to reflect non-private room occupancy.

Section IV Cannot be determined at this time.

Section V Savings in the amount of \$3.0 million. The language may contradict current federal requirements.

Section VI Uncertain - Under federal law and regulation, a new nursing home patient must have a doctor's visit once a month for the first three months and once every three months thereafter. To the extent that current practice under the existing State health code results in a greater number of visits, a savings should ensue. The amount of such savings cannot be determined at this time.

Section VII The fiscal impact cannot be determined at this time.

Section VIII Minimal costs associated with the study of the return of sealed, unsecured medication are anticipated, which can be absorbed through the normal operating budgets of the departments involved. To the extent that the study may find more cost effective methods of addressing the disposition of unused medication, potential future savings may ensue. These savings, however, may be offset by adjustments in rebates to drug firms and further adjustments in federal financial participation which cannot be determined at this time.

Section XIX Potential future cost avoidance - Restoration of Medicaid coverage for naturopaths, chiropractors and podiatrists services is anticipated to result in a future cost avoidance to the extent that HCFA would have imposed a higher rate for mandated coverage as the State no longer has a Medicaid rate for this service.

It should be noted that the Department suspended payment for these services in February. Therefore, to the extent that this bill would be passed in a timely manner, no fiscal impact would result.

Finally, any changes in State Medicaid payments will be offset by appropriate adjustments in federal financial participation.