

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 843

SHORT TITLE: Medicaid Bed-Holding

SPONSOR(S): Representative Warner

FISCAL IMPACT: **Expenditures:** **Increase (X)** **Decrease ()**
 Revenues: **Increase ()** **Decrease ()**
 No Impact ()
 No Estimate Available ()

FUND AFFECTED: **General Fund (X)** **Highway Fund ()** **Local Fund (X)**
 Other Funds ()

BILL SUMMARY:

The proposed legislation requires intermediate care facilities for the mentally retarded and nursing facilities to reserve beds for up to 10 days for any recipient of medical assistance who is hospitalized for a short-term period and is likely to return to that facility after release from the hospital. Requires that the intermediate care facility for the mentally retarded and nursing facilities be reimbursed by the medical assistance program for up to the 10 days the recipient's bed is reserved pending the recipients return from hospitalization.

EFFECTIVE DATE: October 1, 1995

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED:

Department of Human Resources
 Division of Medical Assistance
 County Departments of Social Services

FISCAL IMPACT

	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>
	<u>FY</u>			
	1995-96	1996-97	1997-98	1998-99
	1999-2000			
TOTAL				
EXPENDITURES	\$5,803,450	\$6,213,971	\$6,572,517	\$6,951,751
	\$7352,867			
FEDERAL FUNDS	3,750,190	4,005,326	4,224,783	4,456,264
	4,700,429			
STATE FUNDS	1,745,272	1,877,348	1,995,574	2,121,164
	2,254,558			

LOCAL FUNDS	307,989	331,297	352,160	374,323
	397,881			
POSITIONS:	-0-	-0-	-0-	-0-
	-0-			

ASSUMPTIONS AND METHODOLOGY:

1. Under current law, beds at nursing facilities and intermediate care facilities for the mentally retarded (ICF/MR) are not usually held in reserve if a recipient of Medicaid is hospitalized because the State Medicaid program has not wanted to pay for services the recipient is not receiving. The proposed legislation would require that the Division of Medical Assistance to pay for the hospitalization of the recipient and the cost of the nursing facility or ICF/MR bed for up to 10 days which means an increased expenditure for the State Medicaid program.
2. The Division of Medical Assistance has estimated the impact of HB 843 by reviewing hospitalization rates for Medicaid recipients receiving care in ICF/NR and nursing facilities and projecting the costs of paying for ICF/MR and nursing facility beds which would be held under the proposed legislation. These costs are included under the fiscal impact section of this fiscal note.
3. The Division of Medical Assistance cannot absorb the estimated cost of HB 843. New state and local appropriations will be required to implement the proposed legislation.

SOURCES OF DATA:

Department of Human Resources
Division of Medical Assistance

TECHNICAL CONSIDERATIONS: None.

FISCAL RESEARCH DIVISION

733-4910

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DATE: 6/25/95



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