

MINUTES OF THE HOUSE AGING AND LONG TERM CARE COMMITTEE

The meeting was called to order by Chairman Bob Bethell at 3:30 p.m. on March 18, 2010, in Room 784 of the Docking State Office Building.

All members were present except:

Representative Scott Schwab - excused

Committee staff present:

Doug Taylor, Office of the Revisor of Statutes
Iraida Orr, Kansas Legislative Research Department
Kathie Sparks, Kansas Legislative Research Department
Estelle Montgomery, Kansas Legislative Research Department
Judith Holliday, Committee Assistant

Others attending:

See attached list.

Chairman Bethell asked for a motion to approve the minutes of the March 9 and March 11 Aging and Long Term Care Committee meetings. Representative Horst made a motion, seconded by Representative Hill, to approve the minutes. The motion carried.

HB 2673 - Assessment of quality assurance fee on skilled nursing care facilities to improve the quality of care

Chairman Bethell told the Committee they would not be working **HB 2673** today, but instead would be discussing the amendments to the bill.

Chairman Bethell called the Committee's attention to their copies of Proposed Amendments to **HB 2673**. In the Appropriations Committee, the amount put in on the assessment would not exceed \$1,200, but the amount that the Department on Aging submitted was \$1,325. There was discussion in Appropriations on the fee for administrative services for the agency and concern about the 1%. KDOA said they would not need that much to manage this program, so the .25% amount was inserted.

In response to the question of whether the bill would go back to Appropriations if it were amended in this committee, the Chairman explained that it would not go back because we were second on the bill and it would need to be worked in this committee.

Chairman Bethell asked Doug Taylor, Kansas Legislative Research Department, to hand out the balloon amendment for **HB 2673** and briefly explain its intent. Mr. Taylor explained that the balloon clarified the definitions of skilled nursing facility and the agent for administering the program.

Some members had expressed concerns about what the costs would be to facilities in their districts. Each Committee member was provided a document from the Kansas Health Care Association (KHCA) listing the Quality Care Assessment Act (QCAA) impact on facilities in their individual districts.

There was discussion on the 'winners and losers' component of the bill, with some members expressing their concern about how the federal government mandates losers. Estelle Montgomery from Legislative Research explained that under the waiver programs, facilities are paid based on the number of Medicaid patients they have; the waiver programs are only for Medicaid patients.

Chairman Bethell asked John Federico to explain the document from KHCA to clear up any confusion. Mr. Federico stated that the far right column clarifies whether the bill would help or hurt private pay residents, and the potential increase to private pay residents in rates per resident, per day if the bill does not pass and if the 10% cut is not restored. In this scenario, then private pay will go up. The first column only represents 6-months, January 1-June 30 of this year, so if Medicaid cuts are not restored, then add another 12 months of losses to the amount listed.

Mr. Federico further explained that the purpose of the funding mechanism of the federal government, and

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Minutes of the House Aging and Long Term Care Committee at 3:30 p.m. on March 18, 2010, in Room 784 of the Docking State Office Building.

which is utilized in 36 other states, is to close the gap for those facilities that take care of Medicaid. It was not ever meant to reward those facilities who don't care for Medicaid or have a very low Medicaid census. Its purpose is only to close the gap, and there are no strings, unlike stimulus funds, and only has three requirements: 1) it is only for Medicaid; 2) must be uniform; and 3) can't play favorites by carving out certain individuals. The final effect will bring back \$57 million back to facilities that do care for Medicaid patients.

The following comments were made during discussions on the bill:

- There is concern about the fairness of having elderly people who saved for their health care and who were no longer in a wage-earning capacity having assets depleted and being forced to pay extra;
- People who have depleted assets will be forced into Medicaid; the federal government will not match at the rate it has in the past, so people will be paying more out of pocket;
- Whether the provider assessment would be used to fund the Governor's budget for 2011, or whether this would cover the 10% cut, or be used to plug the gap;
- The legislature created the 'gap' by removing the 10%, and there's no reason to think that it won't be created again;
- In the healthcare industry, the private pay person always subsidizes the Medicaid patient. Before the cut, the reimbursement rate was 95% of the actual cost report; prior to that it was 85% of cost. It was noted there is a difference between charges and actual cost;
- With regard to the type A facilities, are we confident that we can mitigate the effect on these facilities? Other states have models that have taken an approach to mitigate those effects, but there is nothing statutorily that we can do here.
- Do the provisions of the provider assessment affect all types of nursing facilities?

Regarding how a facility can end up with a "zero," for example, Via Christi Hope, Chairman Bethell explained that Via Christi Hope is a PACE program, which is basically an HMO for elder care in which the facility is paid a certain amount for Medicaid patients but then assumes all risks for the remainder of care.

There were no other questions by the Committee on **HB 2673**.

There was no date set for another committee meeting.

The meeting was adjourned at 4:20 p.m.

HOUSE AGING & LONG TERM CARE COMMITTEE

DATE: 3/18/2010

NAME	REPRESENTING
B. W. Brady	KAHSA
Cynthia Smith	SLHS / Providence Place
Joe Enoch	KAHSA
James Frazier	Lakeview Village
Debra Zehr	KAHSA
TED HENDEL	CAPITOL STRAIGHTENERS.
Barb Cozart	KDOA
Yvonne Etzel	KDOA
DAVE HAUFERT	KDOA
Mitzi McFatrigh	KABC
KAREN WENDERT	MIDDLEAID CARE DIRECTOR

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