

**HF1913 - 0 - "Murray Cty Interm Care Fac Rate Increase"**

Chief Author: **Joe Schomacker**  
 Committee: **Health and Human Services Finance**  
 Date Completed: **03/06/2017**  
 Agency: **Human Services Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	399	435	435	435	435
<b>Total</b>	-	<b>399</b>	<b>435</b>	<b>435</b>	<b>435</b>	<b>435</b>
<b>Biennial Total</b>			<b>834</b>			<b>870</b>

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**Executive Budget Officer's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

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**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
<b>Dollars in Thousands</b>		<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>
General Fund	-	399	435	435	435	435
<b>Total</b>	<b>-</b>	<b>399</b>	<b>435</b>	<b>435</b>	<b>435</b>	<b>435</b>
	<b>Biennial Total</b>		<b>834</b>			<b>870</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund	-	399	435	435	435	435
<b>Total</b>	<b>-</b>	<b>399</b>	<b>435</b>	<b>435</b>	<b>435</b>	<b>435</b>
	<b>Biennial Total</b>		<b>834</b>			<b>870</b>
<b>2 - Revenues, Transfers In*</b>						
General Fund	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Biennial Total</b>		<b>-</b>			<b>-</b>

**Bill Description**

The bill as introduced would increase the payment rate of a class B, 14 bed Intermediate Care Facility for persons with Developmental Disabilities (ICF/DD) located in Murray County to \$400.00 per day.

**Assumptions**

- Effective date: July 1, 2017
- The bill would affect one facility whose current rate is \$188.21 per day. The amount of increase is \$211.79 per day.
- The average occupancy of the facility is projected at 89.3%.
- The federal share of Medical Assistance costs is 50%. Counties pay 10% of the nonfederal share of cost of placements that exceed 90 days in Intermediate Care Facilities for Persons with Developmental Disabilities of seven or more beds. As a result the state share costs for this facility are 45% of the total cost.
- FY 2017 includes a 30-day payment delay to account for the fact that Medicaid pays for services retrospectively.
- The proposed bill can be implemented within existing department administrative resources.

**Expenditure and/or Revenue Formula**

	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Current Rate	\$ 188.21	\$ 188.21	\$188.21	\$188.21
Proposed Rate	\$ 400.00	\$ 400.00	\$400.00	\$400.00
Amount of increase	211.79	211.79	211.79	211.79
Licensed beds	14	14	14	14
Occupancy Factor (12.5)	89.3%	89.3%	89.3%	89.3%
Days Per year	365	365	365	365
Payment Delay	91.7%	1.00	1.00	1.00
Total Costs	885,909	966,446	966,446	966,446
Federal (50%)	442,955	483,223	483,223	483,223
<b>State (45%)</b>	<b>398,659</b>	<b>434,901</b>	<b>434,901</b>	<b>434,901</b>
County (5%)	44,295	48,322	48,322	48,322

Fiscal Tracking Summary (\$000's)						
Fund	BACT	Description	FY2018	FY2019	FY2020	FY2021
GF	33	MA LTC Facilities	399	435	435	435
		<b>Total Net Fiscal Impact</b>	399	435	435	435
		<b>Full Time Equivalent</b>				

**Long-Term Fiscal Considerations**

There would be an ongoing annual cost to the state that is estimated to be \$435,000 per fiscal year

**Local Fiscal Impact**

Counties will have an ongoing annual cost of approximately \$48,000 each fiscal year.

**References/Sources**

ICF/DD Facility rate file; DHS CSA Research and Analysis

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