

# MAINE STATE LEGISLATURE

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R. of S.

L.D. 418

(Filing No. H- 559 )

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
116TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 330, L.D. 418, Bill, "An Act to Promote Maximum Independence of Older People"

Amend the bill by striking out everything after the title and before the statement of fact and inserting in its place the following:

**Emergency preamble.** Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

**Whereas,** the State must reallocate its scarce long-term care resources to ensure that people receive appropriate and cost-effective services; and

**Whereas,** the State must begin this process immediately; and

**Whereas,** in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

**Be it enacted by the People of the State of Maine as follows:**

**Sec. 1. 22 MRSA §304-A, sub-§6,** as amended by PL 1989, c. 919, §7 and affected by §18, is further amended to read:

**6. Changes in bed complement.** Any change in the existing bed complement of a health care facility other than a hospital, ~~in any 2-year period, that:~~ ;

**COMMITTEE AMENDMENT**

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~~A.---Increases-or-decreases-the-licensed-or-certified-bed capacity-of-the-health-care-facility-by-more-than-10%-or more-than-5-beds,-whichever-is-less;~~

~~B.---Increases-or-decreases-the-number-of-beds-licensed-or certified-by-the-department-to-provide-a-particular-level-of care-by-more-than-10%-of-that-number-or-more-than-5-beds, whichever-is-less;-or~~

~~C.---Relocates-more-than-10%-of-the-health-care-facility's licensed-or-certified-beds-or-more-than-5-beds,-whichever-is less,-from-one-physical-plant-to-another;~~

Sec. 2. 22 MRSA §307, sub-§6-A, as amended by PL 1985, c. 418, §10, is further amended to read:

**6-A. Review cycles.** The department shall establish review cycles for the review of applications. There shall must be at least one review cycle for each type or category of project each calendar year, the dates for which shall must be published at least 3 months in advance. An application shall must be reviewed during the next scheduled review cycle following the date on which the application is either declared complete or submitted for review pursuant to section 306-A, subsection 4, paragraph B. Hospital projects which that must be considered within the constraints established by the Certificate of Need Development Account established pursuant to section 396-K may be grouped for competitive review purposes at least once each year; provided that, for minor projects, as defined by the department through rules adopted pursuant to section 312, the department shall allocate a portion of the Certificate of Need Development Account for the approval of those projects and shall establish at least 6 review cycles each year for the review of those projects. Nursing home projects which that propose to add new nursing home beds to the inventory of nursing home beds within the State may be grouped for competitive review purposes consistent with appropriations made available for that purpose by the Legislature. A nursing home project that proposes renovation, replacement or other actions that will increase Medicaid costs and for which an application is filed after March 1, 1993 may be approved only if appropriations have been made by the Legislature expressly for the purpose of meeting those costs. The department may hold an application for up to 90 days following the commencement of the next scheduled review cycle if, on the basis of one or more letters of intent on file at the time the application is either declared complete or submitted for review pursuant to section 306-A, subsection 4, paragraph B, the department expects to receive within the additional 90 days one or more other applications pertaining to similar types of services, facilities or equipment affecting the same health

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2 service area. Pertinent health service areas shall must be  
3 defined in ~~regulations--promulgated~~ rules adopted by the  
4 department pursuant to section 312, based on recommendations by  
5 the State Health Coordinating Council.

6 **Sec. 3. 22 MRSA §309, sub-§1, ¶B**, as enacted by PL 1977; c.  
7 687, §1, is amended to read:

8  
9 B. That economic feasibility of the proposed services is  
10 demonstrated in terms of: Effect on the existing and  
11 projected operating budget of the applicant; the applicant's  
12 ability to establish and operate the facility or services in  
13 accordance with licensure ~~regulations--promulgated~~ rules  
14 adopted under pertinent state laws; and the projected impact  
15 on the facility's costs and rates and ; the total health  
16 care expenditures in the community and the State; and the  
17 availability of State funds;

18  
19 **Sec. 4. 22 MRSA §1812-H, sub-§1**, as enacted by PL 1991, c.  
20 622, Pt. M, §10, is amended to read:

21  
22 1. **Medicare.** Any nursing facility with ~~over 50 beds~~ that  
23 participates in the Medicaid program must participate in the  
24 Medicare health insurance for the aged program as a skilled  
25 nursing facility.

26  
27 **Sec. 5. 22 MRSA §1812-H, sub-§2, ¶A**, as amended by PL 1991, c.  
28 671, Pt. L, §2; is further amended to read:

29  
30 A. File an application to become a Medicare provider by  
31 January 1, 1993 ~~1994~~;

32  
33 **Sec. 6. 22 MRSA §1812-H, sub-§2-A** is enacted to read:

34  
35 **2-A. Rules.** The department shall adopt rules to implement  
36 this section. The rules must consider the unique needs of  
37 different parts of the State. Nursing facilities in different  
38 parts of the State may be required to certify different numbers  
39 or percentages of beds depending on the number of Medicare  
40 recipients in those areas, the number of patients in hospitals  
41 who are waiting for nursing facility admission and other relevant  
42 demographic information. Nothing in this subsection prohibits  
43 the department from requiring all nursing facilities to certify  
44 all of their beds as Medicare skilled nursing facility beds.

45  
46 **Sec. 7. 22 MRSA §1812-H, sub-§3**, as enacted by PL 1991, c.  
47 622, Pt. M, §10, is amended to read:

48  
49 3. **Sanctions.** Failure to comply with any of the provisions  
50 listed in ~~subsection 2~~ this section may result in the imposition

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2 of a penalty. The department may impose a penalty of \$100 per  
3 bed for failure to comply with any of these provisions. This  
4 penalty must be imposed for each day a facility fails to comply  
5 with subsection 2, paragraph D. A repeated failure to comply  
6 with any provision results in fines of \$200 per bed. The  
7 imposition and collection of these penalties are governed by  
8 section 7946.

9 Sec. 8. 22 MRSA §1822-A is enacted to read:

10 §1822-A. Notice to nursing facility applicants

11 If an applicant to a nursing facility has not received a  
12 preadmission assessment in accordance with section 3174-I, the  
13 nursing facility shall provide to the applicant and any relative  
14 or friend assisting the applicant a notice prepared by the  
15 department regarding the availability of preadmission  
16 assessment. The notice must indicate that preadmission  
17 assessment is available, that all applicants are urged to have a  
18 preadmission assessment, that prospective Medicaid recipients are  
19 required to have a preadmission assessment and that, if the  
20 applicant depletes the applicant's resources and applies for  
21 Medicaid in the future, the applicant may need to leave the  
22 nursing facility if an assessment conducted at that time finds  
23 that the applicant is not medically eligible for nursing facility  
24 services.

25 Sec. 9. 22 MRSA §3173-E is enacted to read:

26 § 3173-E. Treatment of joint bank accounts in Medicaid  
27 eligibility determinations

28 When determining eligibility for Medicaid, the department  
29 shall establish ownership of joint bank accounts in accordance  
30 with Title 18-A, section 6-103, subsection (a). If the  
31 department determines that funds were withdrawn from a joint  
32 account without the consent of the applicant and the applicant  
33 owned the funds, the person to whom the funds were transferred is  
34 a liable 3rd party and the department shall pursue recovery of  
35 the funds in accordance with section 14. The department shall  
36 adopt rules to implement this section.

37 Sec. 10. 22 MRSA §3174-I, sub-§1, as enacted by PL 1989, c.  
38 498, is amended to read:

39 1. Needs assessment. The Department of Human Services may  
40 In order to determine the most cost-effective and clinically  
41 appropriate level of long-term care services, the department or  
42 its designee shall assess the medical and social needs of each  
43 applicant to a nursing home facility who is reasonably expected

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COMMITTEE AMENDMENT "A" to H.P. 330, L.D. 418

2 to become financially eligible for Medicaid benefits within 180  
3 days of admission to the nursing home facility. If the  
4 department chooses a designee to carry out assessments under this  
5 section, it shall ensure that the designee does not have a  
6 pecuniary interest in the outcome of the assessment.

7 A. The assessment shall must be completed prior to  
8 admission or, if necessary for reasons of the person's  
9 health or safety, as soon after admission as possible.

10 B. The department shall determine whether the services  
11 provided by the facility are medically and socially  
12 necessary and appropriate for the applicant and, if not,  
13 what other services, such as home and community-based  
14 services, would be more appropriately---address---the  
15 applicant's--medical--needs clinically appropriate and cost  
16 effective.

17 C. The department shall inform both the applicant and the  
18 administrator of the nursing home facility of the  
19 department's determination of the services needed by the  
20 applicant and shall provide information and assistance to  
21 the applicant in accordance with subsection 1-A.

22 D. Until such time as the applicant becomes financially  
23 eligible to receive Medicaid benefits, the department's  
24 determination shall--be is advisory only. If the advisory  
25 determination is that the applicant is not medically  
26 eligible for Medicaid reimbursement for nursing facility  
27 services, the applicant must be advised that the applicant  
28 may be required to leave the nursing facility when the  
29 applicant no longer has the resources to pay for the  
30 services and an appropriate placement has been identified.

31 E. The department shall perform a reassessment of the  
32 individual's medical needs when the individual becomes  
33 financially eligible for Medicaid benefits.

34 (1) If the individual, at both the admission  
35 assessment and any reassessment within 180 days of  
36 admission, is determined not to be medically eligible  
37 for the services provided by the nursing home facility,  
38 and is determined not to be medically eligible at the  
39 time of the determination of financial eligibility, the  
40 nursing home--shall--be facility is responsible for  
41 providing services at no cost to the individual until  
42 such time as a placement at the appropriate level of  
43 care becomes available. After a placement becomes  
44 available at an appropriate level of care, the nursing  
45 home facility may resume billing the individual for the  
46 cost of services.

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(2) If the individual is initially assessed as needing the nursing home's facility's services, but reassessed as not needing them at the time the individual is found financially eligible, then Medicaid shall reimburse the nursing home facility for services it provides to the individual in accordance with the Maine Medical Assistance Manual, chapter II, section 50.

F. Prior to performing assessments under this section, the department shall develop and disseminate to all nursing homes facilities and the public the specific standards the department will use to determine the medical eligibility of an applicant for admission to the nursing home facility. A copy of the standards shall must be provided to each person for whom an assessment is conducted.

G. A determination of medical eligibility under this section is final agency action for purposes of the Maine Administrative Procedure Act, Title 5, chapter 375.

**Sec. 11. 22 MRSA §3174-I, sub-§§1-A and 1-B are enacted to read:**

1-A. Information and assistance. If the assessment performed pursuant to subsection 1 finds nursing facility care clinically appropriate, the department shall determine whether the applicant also could live appropriately and cost-effectively at home or in some other community-based setting if home-based or community-based services were available to the applicant. If the department determines that a home or other community-based setting is clinically appropriate and cost-effective, the department shall:

A. Advise the applicant that a home or other community-based setting is appropriate;

B. Provide a proposed care plan and inform the applicant regarding the degree to which the services in the care plan are available at home or in some other community-based setting and explain the relative cost to the applicant of choosing community-based care rather than nursing facility care; and

C. Offer a care plan and case management services to the applicant on a sliding scale basis if the applicant chooses a home-based or community-based alternative to nursing facility care.

The department may provide the services described in this subsection directly or through private agencies.

2           1-B. Notification by hospitals. Whenever a hospital  
3 determines that a patient will require long-term care services  
4 upon discharge from the hospital, the hospital shall notify the  
5 department prior to discharge that long-term care services are  
6 indicated and that a preadmission assessment may be required  
7 under this section.

8  
9           **Sec. 12. 22 MRSA §3174-I, sub-§2,** as enacted PL 1989, c. 498,  
10 is amended to read:

11           **2. Assessment for mental illness or retardation.** The  
12 ~~Department--of--Human--Services~~ department shall assess every  
13 applicant to a nursing home facility to screen for mental  
14 retardation and mental illness in accordance with the Federal  
15 Omnibus Budget Reconciliation Act of 1987, Public Law 100-203,  
16 Section 4211. Such assessments are intended to increase the  
17 probability that any individual who is mentally retarded or  
18 mentally ill will receive active treatment for that individual's  
19 mental condition.  
20

21           **Sec. 13. Phasing in preadmission assessment.** By October 1,  
22 1993, the Department of Human Services shall implement a nursing  
23 facility preadmission assessment program in at least one rural  
24 and one urban region of the State. The program shall provide  
25 assessments for nursing facility applicants who are reasonably  
26 expected to become financially eligible for Medicaid benefits  
27 within 180 days of admission to a nursing facility. When nursing  
28 facility services are found clinically appropriate, the  
29 department shall determine whether an applicant also could live  
30 appropriately and cost-effectively at home or in some other  
31 community-based setting if home-based or community-based services  
32 were available to the applicant. If the department determines  
33 that a home or other community-based setting is clinically  
34 appropriate and cost-effective, the department shall:  
35

36           1. Advise the applicant that a home or other  
37 community-based setting is appropriate;

38           2. Provide a proposed care plan and inform the applicant  
39 regarding the degree to which the services in the care plan are  
40 available at home or in some other community-based setting and  
41 explain the relative cost to the applicant of choosing  
42 community-based care rather than nursing facility care; and  
43

44           3. Offer a care plan and case management services to the  
45 applicant on a sliding scale basis if the applicant chooses a  
46 home-based or community-based alternative to nursing facility  
47 care.  
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2 The department may provide the services described in this  
3 section directly or through its designee. If the department  
4 chooses a designee to carry out assessments under this section,  
5 it shall ensure that the designee does not have a pecuniary  
6 interest in the outcome of the assessment.

7  
8 In designing and phasing in the preadmission assessment  
9 program under this section, the department shall collaborate with  
10 interested parties including but not limited to consumers,  
11 nursing facility operators, hospital operators and home and  
12 community-based care providers.

13  
14 By July 1, 1994, the Department of Human Services shall  
15 implement this program statewide. By February 1, 1994, the  
16 department shall submit a progress report to the Joint Standing  
17 Committee on Human Resources regarding the program. The report  
18 must include, but is not limited to, the number of applicants  
19 diverted from nursing facilities and the resulting cost savings;  
20 the relative merits of providing services directly by the  
21 department, through a request-for-proposal system or through  
22 negotiated agreements with existing services providers; the  
23 experience regarding case management along with the department's  
24 recommendations as to whether case management should be provided  
25 by the department, by contract agencies, by agencies that provide  
26 no other services or by some combination of those; the number of  
27 people who opt for family-based care and the degree to which  
28 family members serve as caretakers; and the degree to which  
29 preadmission assessments affect the decisions of applicants with  
30 private resources.

31  
32 **Sec. 14. Development of community-based opportunities.**  
33 Notwithstanding Title 22, section 307, subsection 6-A, the  
34 Department of Human Services may approve a certificate of need  
35 application without express authorization of the Legislature if  
36 the project seeks to transfer nursing facility beds currently  
37 located at a state-operated mental health institute to a  
38 community-based provider for the purpose of creating new  
39 community-based opportunities for people with mental illness.

40  
41 **Sec. 15. Medical admission criteria.** By October 1, 1993, the  
42 Department of Human Services shall amend the medical criteria for  
43 admission to a nursing facility. The criteria must:

- 44 1. Target nursing facility admissions to applicants who can  
45 not be served in less restrictive settings; and  
46  
47 2. Result in applicants being referred to services that are  
48 cost-effective and clinically appropriate.

49  
50 **Sec. 16. Development of assisted living options.** By October 1,  
51 1993, the Department of Human Services shall prepare a

plan for the development of assisted living facilities for Medicaid recipients and other people with low income. By October 1, 1993, the Department shall submit for federal approval an amendment to the home and community-based waiver program for the elderly that includes assisted living as a service category under that waiver program. By January 1, 1994, the Department shall submit to the Joint Standing Committee on Human Resources the plan prepared under this section and a progress report regarding federal approval of the proposed amendment to the waiver program.

**Sec. 17. Respite care.** The Department of Human Services shall collect data regarding the degree to which respite care is used by people receiving long-term care services and shall assess the degree to which more respite care services are needed. If the Department finds that more respite care services should be developed, it shall consider options for development, including but not limited to the delivery of respite care in nursing facilities. The Department shall submit its findings and recommendations to the Joint Standing Committee on Human Resources by January 1, 1994.

**Sec. 18. Reduction of beds.** The Department of Human Services shall examine options for reducing permanently the number of licensed nursing facility beds in the State. Options must be evaluated for cost-effectiveness, the level of disruption likely to be experienced by consumers and providers and consistency with the State's overall long-term care plans. In considering options, the Department shall consult with consumers, providers and other interested parties. By January 1, 1994, the Department shall submit its findings and recommendations to the Joint Standing Committee on Human Resources and the Joint Standing Committee on Appropriations and Financial Affairs. The report must include the number of beds the department recommends removing permanently from the long-term care system, the mechanisms for removing them, the criteria for removing them and a schedule for implementation of the plan that includes an assessment of the level of home and community-based services that would need to be developed in the same time frame.

**Sec. 19. Appropriation.** The following funds are appropriated from the General Fund to carry out the purposes of this Act.

	1993-94	1994-95
<b>HUMAN SERVICES, DEPARTMENT OF</b>		
<b>Intermediate Care -</b>		
<b>Payments to Providers</b>		

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2 All Other (\$926,361) (\$6,533,967)

4 Provides for the

6 deappropriation of funds due

8 to the establishment of a

10 diversion program that will

12 limit the number of people

14 admitted to nursing

16 facilities.

12 Intermediate Care -  
Payments to Providers

14 All Other (336,600) (504,900)

16 Provides for the

18 deappropriation of funds due

20 to savings from increases in

22 the number of

24 Medicare-certified beds.

22 Intermediate Care -  
Payments to Providers

24 All Other (200,000) (200,000)

26 Provides for the

28 deappropriation of funds due

30 to savings resulting from

32 3rd-party recoveries of funds

34 improperly withdrawn from

36 joint bank accounts.

34 Medical Care - Payments to Providers

36 All Other 180,000 660,000

38 Provides funds to support

40 Medicaid-reimbursable

42 home-based care services for

44 people diverted from nursing

46 facility admission.

44 Medical Care - Payments to Providers

46 All Other 450,000 1,200,000

48 Provides funds to support

50 Medicaid-reimbursable

residential services for

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COMMITTEE AMENDMENT "A" to H.P. 330, L.D. 418

2 people diverted from nursing  
facility admission.

4 Long-term Care - Human Services

6 All Other 180,000

8 Provides funds to implement a  
10 preadmission assessment  
program statewide.

12 Long-term Care - Human Services

14 All Other 266,000 600,000

16 Provides funds to support  
18 home-based care services for  
people who are diverted from  
nursing facility admission.

20 DEPARTMENT OF HUMAN SERVICES  
22 TOTAL

(\$566,961) (\$4,598,867)

24 Sec. 21. Allocation. The following funds are allocated from  
26 the Federal Expenditure Fund to carry out the purposes of this  
Act.

28 1993-94 1994-95

30 HUMAN SERVICES, DEPARTMENT OF

32 Intermediate Care -  
34 Payments to Providers

36 All Other (\$1,506,310) (\$10,624,560)

38 Provides for the deallocation  
40 of funds due to the  
establishment of a diversion  
42 program that will limit the  
number of people admitted to  
nursing facilities.

44 Intermediate Care -  
46 Payments to Providers

48 All Other (547,329) (820,993)

50 Provides for the deallocation  
of funds due to savings from

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increases in the number of  
Medicare-certified beds.

**Intermediate Care -  
Payments to Providers**

All Other	(325,210)	(325,210)
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Provides for the deallocation  
of funds due to savings  
resulting from 3rd-party  
recoveries of funds  
improperly withdrawn from  
joint bank accounts.

**Medical Care -  
Payments to Providers**

All Other	292,689	1,073,193
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Provides funds to support  
Medicaid-reimbursable  
home-based care services for  
people diverted from nursing  
facility admission.

**Medical Care -  
Payments to Providers**

All Other	731,723	1,951,261
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Provides funds to support  
Medicaid-reimbursable  
residential services for  
people diverted from nursing  
facility admission.

**DEPARTMENT OF HUMAN SERVICES  
TOTAL**

	<u>(\$1,354,437)</u>	<u>(\$8,746,309)</u>
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**Sec. 21. Effective date.** Sections 10 and 11 of this Act take  
effect July 1, 1994.

**Emergency clause.** In view of the emergency cited in the  
preamble, this Act takes effect when approved, except as  
otherwise indicated.

FISCAL NOTE

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1993-94                      1994-95

APPROPRIATIONS/ALLOCATIONS

General Fund	(\$566,961)	(\$4,598,867)
Other Funds	(\$1,354,437)	(\$8,746,309)

The Department of Human Services will avoid the costs associated with additional nursing facility beds as a result of eliminating the Certificate of Need exemption for minor increases in the number of certified beds. The department will also experience savings by limiting the approval of nursing home projects that propose renovation or replacement to those that have received a specific appropriation for that purpose.

The Department of Human Services has identified General Fund savings of \$336,600 in fiscal year 1993-94 and \$504,900 in fiscal year 1994-95 and matching Federal Expenditure Fund savings of \$547,329 and \$820,993 as a result of requiring nursing facilities with less than 50 beds that are supported by Medicaid to participate in Medicare based on criteria determined by the department through rulemaking. The department may also experience minor savings if penalties for noncompliance are assessed and applied to offset reimbursement owed the facility.

The department estimates General Fund savings of \$200,000 annually in fiscal years 1993-94 and 1994-95 and matching Federal Expenditure Fund savings of \$325,210 annually due to establishing ownership of joint bank accounts during the eligibility determination process. The additional costs to recover funds from liable 3rd parties can be absorbed by the department utilizing existing budgeted resources.

General Fund savings from diverting approximately 20% of potential nursing facility applicants are estimated by the department to be \$926,361 in fiscal year 1993-94 and \$6,533,967 in fiscal year 1994-95 with matching Federal Expenditure Fund savings of \$1,506,310 and \$10,624,560 respectively. These savings are contingent upon additional funding to provide service alternatives.

The department will require General Fund appropriations of \$180,000 in fiscal years 1993-94 and \$660,000 in 1994-95 and matching Federal Expenditure Fund allocations of \$292,689 in fiscal year 1993-94 and \$1,073,193 in fiscal year 1994-95 to provide Medicaid-reimbursable home-based care services to people diverted from nursing facility admission. The department will require General Fund appropriations of \$266,000 in fiscal years

1993-94 and \$600,000 in 1994-95 to provide home-based care services to people who are not Medicaid eligible and who are diverted from nursing facility admission.

The department will also require General Fund appropriations of \$450,000 in fiscal year 1993-94 and \$1,200,000 in fiscal year 1994-95 and matching Federal Expenditure Fund allocations of \$731,723 in fiscal year 1993-94 and \$1,951,261 in fiscal year 1994-95 to provide Medicaid-reimbursable residential options.

The department will incur some minor additional costs to provide preadmission assessments in 2 areas of the State during fiscal year 1993-94. These costs can be absorbed within the department's existing budgeted resources. The department will require a General Fund appropriation of \$180,000 in fiscal year 1994-95 to implement the preadmission assessment program statewide.

The additional costs to prepare the waiver request and the required reports can be absorbed by the department utilizing existing budgeted resources.

The Governor's proposed current services budget includes changes that may affect this bill's impact on the delivery of long-term care services. This estimate of the fiscal impact may need to be adjusted based on final legislative actions on the current services budget.

### STATEMENT OF FACT

This amendment replaces the original bill. It differs from the bill as follows:

1. Full implementation of the bill's preadmission assessment amendments and diversion component are delayed until July 1, 1994. Beginning October 1, 1993, the Department of Human Services is directed to begin phasing in those proposals in at least 2 regions of the State, and to complete statewide implementation by July 1, 1994;

2. The certificate of need laws are amended to close existing loopholes that allow nursing facilities to expand beds without a certificate of need if the facility is adding no more than 5 beds or 10% of capacity, whichever is less. Also, as of March 1, 1993, a moratorium is placed on nursing home renovation or replacement projects unless those projects are expressly approved by the Legislature through appropriations. An exception is granted to beds being transferred from state mental health

2 institutes to nonstate community providers. The certificate of  
need laws are also amended to clarify that availability of state  
3 funds is a criterion that must be considered when the State  
4 decides whether or not to approve an application;

6 3. The Department of Human Services is directed to amend  
the clinical criteria for nursing facility admission to ensure  
8 that nursing facility services are targeted to applicants who can  
not be served elsewhere. The new criteria must result in  
10 applicants being referred to services that are clinically  
appropriate and cost-effective;

12 4. A section is added to require the Department of Human  
14 Services to adopt rules requiring all nursing facilities to  
certify an appropriate number of Medicare beds as needed in each  
16 area of the State;

18 5. A section is added requiring nursing facilities to  
20 notify applicants and persons assisting applicants that  
preadmission assessments may be required and that, if they apply  
for Medicaid in the future and are found medically ineligible,  
22 they may need to leave the nursing facility;

24 6. A section is added that closes an existing loophole in  
Medicaid eligibility rules regarding joint bank accounts;

26 7. Hospitals are required to notify the Department of Human  
28 Services when they are preparing to discharge a patient who will  
need long-term care services and who may need a preadmission  
30 assessment for nursing facility services;

32 8. The Department of Human Services is required to seek  
federal approval to include assisted living options as a service  
34 category under the home and community-based waiver program for  
older people. The Department is also required to assess the need  
36 for respite care services and make recommendations to the  
Legislature;

38 9. The Department of Human Services is directed to examine  
40 options for permanently reducing licensed nursing home beds and  
to report its findings to the Legislature by January 1, 1994;

42 10. Appropriations sections are added to reflect an overall  
44 savings to the State as resources are reallocated from nursing  
facility care to alternative forms of care; and

46 11. An emergency preamble and clause and a fiscal note are  
48 added to the bill.

Reported by the Committee on Human Resources  
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**COMMITTEE AMENDMENT**