

Hall of the House of Representatives

83rd General Assembly - Regular Session, 2001

Amendment Form

Subtitle of House Bill No. 1274

"AN ACT TO LEVY A QUALITY ASSURANCE FEE."

Amendment No. 1 to House Bill No. 1274.

Amend House Bill No. 1274 as originally introduced:

Page 1, delete lines 20 through 36 and substitute:

"SECTION 1. Definitions.

For purposes of this act:

(1) "Director" means the director of the division;

(2) "Division" means the Division of Medical Services of the Department of Human Services;

(3)(A) "Gross receipts" means gross receipts paid as compensation for services provided to residents of nursing facilities, including but not limited to, client participation.

(B) "Gross receipts" does not mean charitable contributions;

(4) "Medicaid" means the Medical Assistance Program established by Title XIX of the Social Security Act, as it existed on January 1, 2001 and administered by the division;

(5) "Midnight census" means the count of:

(A) Each patient occupying a nursing facility bed at midnight of each day;

(B) Those beds placed on hold during a period of time not to exceed five consecutive calendar days during which a patient is in a hospital bed; and

(C) Those beds placed on hold during a period of time not to exceed fourteen (14) consecutive calendar days during which a patient is on therapeutic home leave;

(6) "Multiplier" means the fixed dollar amount used to calculate the quality assurance fee;

(7)(A) "Nursing facilities" means any building, structure, agency, institution, or other place which requires payment for the reception, accommodation, board, care, or treatment of two (2) or more unrelated individuals who due to a physical or mental infirmity, are unable to care for themselves;

(B) "Nursing facilities" does not mean offices of private physicians and surgeons, boarding homes, residential care facilities,

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The Amendment was read _____

By: Representative Bevis

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Chief Clerk

intermediate care facilities for the mentally retarded, hospitals, institutions operated by the federal government or licensed by the Division of Developmental Disabilities Services of the Department of Human Services, or any facility which is conducted by and for those who rely exclusively upon treatment by prayer for healing in accordance with tenets or practices of any recognized religious denomination; and

(8) "Patient days" means the number of patients in a nursing facility as determined by the midnight census.

SECTION 2. Calculation of quality assurance fee.

(a) There is levied a quality assurance fee on nursing facilities to be calculated in accordance with subsections (b) of this section.

(b)(1) The quality assurance fee shall be an amount determined each month by multiplying the patient days as reported by each nursing facility for each day of the month by the multiplier.

(2) Each multiplier shall be:

(A) Calculated by the division to produce an aggregate annual quality assurance fee payment equal to six percent (6%) of the aggregate annual gross receipts; and.

(B) Subject to prospective adjustment as necessary for annual aggregate quality assurance payments to equal six percent (6%) of the aggregate annual gross receipts.

(c)(1) Between the effective date of this act and June 30, 2001, the multiplier shall be five dollars and twenty-five cents (\$5.25).

(2)(A) On and after July 1, 2001, the multiplier shall be determined using the patient days and gross receipts reported to the division for a period of at least six (6) months.

(B) The division shall determine the six-month period to be used in order to calculate the multiplier.

SECTION 3. Reporting and collection.

(a) On the tenth (10th) day of the first full month following the effective date of this act, and on the tenth (10th) day of each month thereafter, each nursing facility shall file a report with the division listing the patient days for the preceding month.

(b) The quality assurance fee shall be due and payable for the previous month by the thirtieth (30th) of each month.

(c) The payment of the quality assurance fee by the nursing facilities shall be reported as an allowable cost for Medicaid reimbursement purposes.

SECTION 4. Administration.

(a) The administration of this act shall be exercised by the director and shall be subject to the provisions of the Arkansas Administrative Procedure Act, as amended.

(b)(1) The division, in accordance with the Arkansas Administrative Procedure Act, shall promulgate rules and regulations and prescribe forms for:

(A) The proper imposition and collection of the quality assurance fee;

(B)(i) The enforcement of this act including, but not limited to, license non-renewal, letters of caution, sanctions, or fines.

(ii) The fine shall be at least two hundred and fifty dollars (\$250) but not more than one-half (1/2) of the amount of the

outstanding quality assurance fee up to twenty thousand dollars (\$20,000).
The fine and outstanding quality assurance fee shall accrue interest at the
maximum rate permitted by law from the date the quality assurance fee is due
until payment of the quality assurance fee and the fine;

(C) The format for reporting by all nursing homes the total
patient days and gross receipts; and

(D) The administration of the provisions of this act.

(2) The rules and regulations shall not grant any exceptions to,
or exceptions from, the quality assurance fee.

(c)(1) The quality assurance fee assessed and collected pursuant to
this act shall be assessed and deposited as a designated account within the
Arkansas Medicaid Program Trust Fund as established under Arkansas Code 19-5-
985.

(2) The designated account shall be separate and distinct from
the general fund and shall be supplementary to the Arkansas Medicaid Program
Trust Fund.

(3) Funds in the account shall not be used to replace other
general revenues appropriated by the General Assembly or other revenues used
to support Medicaid.

(4) This designated account shall be exempt from budgetary cuts,
reductions, or eliminations caused by a deficiency of general revenues.

(5) Earnings on investments from this designated account shall
remain a part of the designated account and shall not be deposited in the
general fund.

(d)(1) Except as necessary to reimburse funds used to meet a shortfall
in the Arkansas Medicaid Program Trust Fund, monies in the trust fund and the
matching federal financial participation under Title XIX of the Social
Security Act for expenditures from the Arkansas Medicaid Program Trust Fund,
shall only be used to reimburse additional costs paid to Medicaid certified
nursing facilities under Arkansas' State Medicaid Long Term Care Cost
Reimbursement Methodology.

(2) No nursing facility shall be guaranteed, expressly or
otherwise, that any additional monies paid to the nursing facility will equal
or exceed the amount of its quality assurance fee.

SECTION 5. If any section of this act or the application of this act
shall be adjudged by any court of competent jurisdiction to be invalid, the
judgment shall not affect, impair, or invalidate the remainder of this act,
but shall be confined in its operation to the provision directly involved in
the controversy in which the judgment shall have been rendered, and the
applicability of the provision to other persons or circumstances shall not be
affected.

SECTION 6. Emergency clause. It is found and determined by the General
Assembly that nursing facilities are struggling to attain the resources
necessary to provide persons in the nursing facilities with the proper
services they rightfully deserve. The imposition of the fee will allow
nursing facilities to provide quality patient care enhancements, and
therefore, ensure the safety of and a healthy environment for patients in
nursing facilities. Therefore, an emergency is declared to exist and this act
being immediately necessary for the preservation of the public peace, health
and safety shall become effective on the date of its approval by the Governor.

If the bill is neither approved nor vetoed by the Governor, it shall become effective on the expiration of the period of time during which the Governor may veto the bill. If the bill is vetoed by the Governor and the veto is overridden, it shall become effective on the date the last house overrides the veto."

AND

Page 2, delete lines 1 through 36

AND

Page 3, delete lines 1 through 36

AND

Page 4, delete lines 1 through 36

AND

Page 5, delete lines 1 through 3