

Department of Planning and Budget 2023 Fiscal Impact Statement

1. Bill Number: SB 1457

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Lewis

3. Committee: Finance and Appropriations

4. Title: Long-term services and supports screening; screening after admission

5. Summary: The substitute legislation provides that if an individual is admitted to a skilled nursing facility for skilled nursing services and such individual was not screened but is subsequently determined have been required to be screened prior to admission to the nursing home, then the screening may be conducted after admission. Under the bill, coverage of institutional long-term services and supports by the Commonwealth for such non-prescreened patients shall not begin until six months after the initial admission to the skilled nursing facility. During this six-month period, the nursing home in which the individual resides shall be responsible for all costs indicated for institutional long-term services and supports that would otherwise have been covered by the Commonwealth's program of medical assistance services, without accessing patient funds. The bill provides that if sufficient evidence indicates that the admission without screening was of no fault of the skilled nursing facility, the Department of Medical Assistance Services (DMAS) must begin coverage of institutional long-term services and supports immediately upon the completion of the functional screening indicating skilled nursing facility level of care pending the financial eligibility determination. The bill also provides DMAS with emergency regulatory authority.

6. Budget Amendment Necessary: Indeterminate (See Item 8).

7. Indeterminate Fiscal Impact (See Item 8)

8. Fiscal Implications: This bill provides a mechanism for nursing facilities to potentially receive Medicaid payments for those individuals who have been admitted without the necessary long-term services and supports screening being conducted.

While it is likely that this legislation will have a fiscal impact on Medicaid long-term services and supports costs, a fiscal impact cannot be determined at this time. This proposal has a number of complex interactions based on nursing facility, hospital and individual behavior that could both increase and decrease Medicaid costs. For example, avoiding nursing facility discharges and allowing nursing facilities to conduct long-term services and supports screenings will likely increase Medicaid costs. However, the bill's provision to withhold Medicaid reimbursements for six months and the avoidance of hospital

readmissions may lower costs. The Department of Medical Assistance Services has also indicated that the number of nursing facility residents impacted by the provisions of this bill is expected to be low.

9. Specific Agency or Political Subdivisions Affected:

Department of Medical Assistance Services

10. Technical Amendment Necessary: No

11. Other Comments: This bill is a companion to HB 1681.