

**Department of Planning and Budget  
2008 Fiscal Impact Statement**

**1. Bill Number** HB 819

**House of Origin** ☒ Introduced ☐ Substitute ☐ Engrossed

**Second House** ☐ In Committee ☐ Substitute ☐ Enrolled

**2. Patron** Albo

**3. Committee** Health, Welfare, and Institutions

**4. Title** Continuing Care Retirement Communities to Participate in Medicaid

**5. Summary/Purpose:** The bill permits continuing care retirement communities (CCRC) who do not have a COPN for some or all of their nursing facility beds to use up to 10 percent of these beds for Medicaid recipients after the end of an open admissions period as long as any patients who receive Medicaid covered nursing home services have been residents of the CCRC for at least three years.

**6. Fiscal Impact Estimates are:** Final.

**Expenditure Impact:**

(Item 306, Service Area 45610)

Fiscal Year	Dollars	Positions	Fund
2009	\$479,797	0.0	GF
2009	\$479,797	0.0	NGF
2010	\$992,220	0.0	GF
2010	\$992,220	0.0	NGF
2011	\$1,538,933	0.0	GF
2011	\$1,538,933	0.0	NGF
2012	\$2,121,676	0.0	GF
2012	\$2,121,676	0.0	NGF
2013	\$2,742,266	0.0	GF
2013	\$2,742,266	0.0	NGF
2014	\$2,835,503	0.0	GF
2014	\$2,835,503	0.0	NGF

**7. Budget amendment necessary:** Yes, Item 306, Service Area 45610.

- 8. Fiscal implications:** The Department of Medical Assistance Services (DMAS) assumes that any bed days paid by Medicaid in these CCRCs will be in addition to the current Medicaid bed days in the forecast and that the per diem cost will be at the ceiling. Using the VDH licensing information for CCRCs, DMAS estimates that 1,507 CCRC beds are non-Medicaid certified. Under this legislation, 10 percent of these beds would be eligible to convert to Medicaid. DMAS assumes that approximately half of the eligible beds would be converted to Medicaid beds over the next five years. The impact would be limited initially, but this exception is likely to be used more extensively in future years. The estimated impact is approximately \$1 million (0.5 million GF) for the first year (based on 15 additional Medicaid beds) and \$5.5 million (\$2.7 million GF) in the fifth year (based on 75 additional Medicaid beds). DMAS assumes that the reimbursement per day for these beds would be at the ceiling.
- 9. Specific agency or political subdivisions affected:** Department of Health and the Department of Medical Assistance Services.
- 10. Technical amendment necessary:** No.
- 11. Other comments:** None.

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cc: Secretary of Health and Human Resources