

**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 Education and Health

4. Title Continuing Care Retirement Communities to Participate in Medicaid

5. Summary/Purpose: The bill permits continuing care retirement communities (CCRC) in Planning District eight, 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. Planning district eight encompasses the Northern Virginia counties of Arlington, Fairfax, Loudoun, and Prince William and the cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park.

The bill has a second enactment clause providing that the bill will not take effect unless a general fund appropriation is provided by the appropriation act in the 2008 Session.

6. Fiscal Impact Estimates are: Final.

Expenditure Impact:

(Item 306, Service Area 45610)

Fiscal Year	Dollars	Positions	Fund
2009	\$82,839	0.0	GF
2009	\$82,839	0.0	NGF
2010	\$171,311	0.0	GF
2010	\$171,311	0.0	NGF
2011	\$265,703	0.0	GF
2011	\$265,703	0.0	NGF
2012	\$366,316	0.0	GF
2012	\$366,316	0.0	NGF
2013	\$473,463	0.0	GF
2013	\$473,463	0.0	NGF
2014	\$587,473	0.0	GF
2014	\$587,473	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 CCRCs that currently have no Medicaid certified beds will be in addition to the current Medicaid bed days in the forecast. Using the Virginia Department of Health (VDH) licensing and certification information for CCRCs, DMAS estimates that 478 CCRC beds are in five CCRCs in Planning District eight that currently have no Medicaid certified beds. Under this legislation, 10 percent of these beds (48 beds) would be eligible to convert to Medicaid. DMAS assumes that approximately half of the eligible beds (24 beds) would be converted to Medicaid beds. Due to limitations on eligible residents (only those who have exhausted refundable entrance fees), DMAS assumes that the total would not be reached for ten years. The estimated impact is approximately \$166,000 (\$83,000 GF) for the first year (based on 2.4 additional Medicaid beds) and \$1.2 million (\$600,000 GF) in the sixth year (based on 14 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.

Date: 02/15/08 / mst

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cc: Secretary of Health and Human Resources