

ND Department of Human Services
Provider Assessment Overview
House Bill 1130
January 16, 2017

42 CFR § 433.68 identifies permissible health-care related assessments. The most common provider types for a health-care related assessment are nursing facilities, hospitals and intermediate care facilities for individuals with intellectual disabilities (ICF/IID). A health-care related assessment cannot exceed 6% of provider net patient revenue.

Any provider assessment must have Centers for Medicare and Medicaid Services (CMS) approval in order for the allowable cost to be included in the Medicaid rate. This means we have to work closely with CMS on any proposed assessment.

A provider assessment will not be considered uniform and broad-based if the amount of the assessment is directly correlated to payments under the Medicaid program or the taxpayer is held harmless. CMS must approve a waiver if a provider assessment is not uniform and broad-based.

Currently in North Dakota only ICF/IID providers have a health-care related assessment. This assessment is based on licensed beds.

Based on the provider assessment bill (HB 1130) as introduced, a nursing facility provider will pay a set amount per day for each non-Medicare day. Non-Medicare days were used so that a transitional care unit which only serves Medicare clients would not be subject to the provider assessment.

Only the Medicaid portion of the provider assessment paid by a provider can be considered allowable in calculating rates. This means that the daily assessment for a Medicaid day can be included in rate setting upon CMS approval.

Current state law establishes equalized rates for a private pay individual. This means that a private pay individual cannot be charged a higher rate than an individual on medical assistance for the same services. The rates for private pay individuals will increase based on the portion of the provider assessment that is an allowable cost.

**Department of Human Services
Nursing Home Provider Assessment Funds
2017 - 2019 Executive Budget**

Uses of Nursing Home Provider Assessment in Long Term Care:	
Nursing Home Cost Increases	26,393,649
Restore Nursing Home Rate Reductions	10,586,708
Nursing Home Inflation	2,554,576
Restore Basic Care Rate Reductions	1,844,869
Basic Care Inflation	124,778
Restore Homemaker Services Rate Reduction	293,915
Home & Community Based Services Provider Inflation	228,711
Money Follows the Person Sustainability	527,954
Restore Community of Care Funding	<u>120,000</u>
Total Nursing Home Provider Assessment	42,675,160

ND Department of Human Services
 Medical Services Division
 Nursing Facility Provider Assessment
 House Bill 1130
 January 16, 2017

Maximum Provider Assessment % of Revenue				5.00%
		2018 (12 mths)	2019 (6 mths)	Biennium Total
Assessment per Non-Medicare Day	\$	15.17	\$ 15.17	
Estimated Average Daily Rate Increase for all Residents ¹	\$	7.97	\$ 7.97	
Assessment Revenue	\$	29,445,091	\$ 14,722,546	\$ 44,167,637
Estimated General Fund Appropriation Increase ²	\$	8,346,829	\$ 4,173,414	\$ 12,520,243
Net 2017-2019 Biennium Impact ³				<u>\$ 31,647,394</u>

* Federal regulations identify that a health-care related provider assessment must be uniform and broad based. The State may request a waiver from CMS for a provider assessment that is not uniform or broad based.

¹ The portion of the provider assessment attributable to Medicaid is an allowable cost for rate-setting.

² For Medicaid portion of provider assessment only.

³ Estimate is assuming 2017 Legislative approval, CMS approval of State Plan Amendment and any necessary waiver is granted. The provider assessment would be effective January 1, 2018.