

**Testimony**  
**Senate Bill 2109 – Department of Human Services**  
**House Human Services Committee**  
**Representative Clara Sue Price, Chairman**  
**February 7, 2007**

Chairman Price, members of the Human Services Committee, I am Barbara Fischer, Assistant Director of Budget and Operations of Medical Services, of the Department of Human Services.

I am here today in support of SB 2109. The moratoria for nursing facilities and basic care facilities has been in place since 1995 and has been extended each biennium. This bill removes the language that sunsets the basic care and nursing facility moratoria as of July 31, 2007. In essence, it makes the moratoria permanent unless decided differently by future Legislative Assemblies.

Currently, there are two exceptions to the Basic Care Bed Moratorium:

- A nursing facility may convert bed capacity to basic care beds
- An entity can demonstrate a need to the Department of Health, and to the Department of Human Services. To demonstrate a need, the facility must show that occupancy within a 50-mile radius at existing basic care facilities is at or above 90 percent.

Section 1 of the bill removes the sunset period and includes additional language that would provide a preference to an entity, seeking licensure as basic care facility, that proposes to serve Medicaid eligible individuals. The department requested this language as the most recent requests for additional Basic Care beds have primarily come from facilities who do not intend to serve Medicaid clients. We are concerned that if this trend

continues, access to Basic Care services for Medicaid clients could be greatly diminished.

This section also provides that any beds that are approved by the departments must be licensed within 48 months to ensure that approved beds do not just sit in limbo thus preventing other entities from being approved for licensure when a need has been established.

Section 2 of the bill removes the sunset period for the moratorium on nursing facilities and adds that conversion of beds between nursing facility and basic care capacity can occur only once during a twelve month period.

Section 3 of the bill contains an Emergency Clause, as the departments would like to be able to use the preference for Medicaid participation provision, should any new Basic Care bed applications be submitted between passage of the bill and August 1, 2007.

Attachment A provides some information on licensed basic care and nursing facilities.

I would happy to address any questions that you may have.