Ohio Legislative Service Commission

Ivy Chen

Fiscal Note & Local Impact Statement

Bill: Sub. S.B. 264 of the 129th G.A. **Date**: December 13, 2011

Status: As Reported by House Finance & Appropriations **Sponsor**: Sen. Jones

Local Impact Statement Procedure Required: No

Contents: Revises the law governing quality incentive payments and quality bonuses paid to nursing facilities under the Medicaid Program

State Fiscal Highlights

- The bill has no direct fiscal impact as the current budget act includes roughly $294 million of appropriation for FY 2013 to fund the nursing facility quality incentive payments.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill revises the law governing quality incentive payments paid to nursing facilities under the Medicaid Program. A quality incentive payment is one of the components that make up the total Medicaid rate paid to a nursing facility. The amount of a nursing facility's quality incentive payment depends on how many points the nursing facility earns for meeting the accountability measures established in the bill. The bill provides for the per Medicaid day amount of a quality incentive payment to be the product of the number of points a nursing facility is awarded for meeting accountability measures and $3.29, except that no quality incentive payment is to exceed $16.44 per Medicaid day. The bill also provides for a qualifying nursing facility to receive a quality bonus in addition to its quality incentive payment if the residual budgeted amount for quality incentive payments for the fiscal year is greater than zero.

Am. Sub. H.B. 153 of the 129th General Assembly (the budget act for the FY 2012-FY 2013 biennium) requires the Department of Job and Family Services, for FY 2013 and thereafter, to award each nursing facility participating in the Medicaid Program points for meeting accountability measures in accordance with amendments to state law governing quality incentive payments. The bill has no direct fiscal impact as the budget act includes roughly $294 million (17.9 million estimated Medicaid bed days x $16.44) of appropriation for FY 2013 to fund the nursing facility quality incentive payments.

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