

BILL SUMMARY
2nd Session of the 56th Legislature

Bill No.:	HB 2749
Version:	INT
Request Number:	9233
Author:	Rep. Hall
Date:	2/7/2018
Impact:	OSDH Estimate: \$115,000 annually

Research Analysis

HB 2749 requires the State Health Department to contract with a non-profit organization to provide informal dispute resolution reviews requested by nursing homes, assisted living facilities and Intermediate Care Facilities for Individuals with an Intellectual Disability.

Prepared By: Marcia Goff

Fiscal Analysis

From the Oklahoma State Department of Health:

Informal dispute resolution reviews are currently conducted by a volunteer panel. This legislation could result in an additional state expense to contract with a nonprofit organization. IDRs conducted for Medicare/Medicaid nursing facilities and ICF/IIDs are subject to federal IDR requirements as follows:

IDR is not fully compensable by the federal government. There is state match required from OSDH in some instances. There is potential for CMS to pay for a portion of the costs of informal dispute resolution contracted to a nonprofit organization. Key points are:

- Funding for an IDR on a facility certified only for Medicare would be 100% Medicare (Oklahoma has very few of these);
- Medicare funding for IDRs for facilities certified for both Medicare and Medicaid would be 75% Medicare, 25% state (OSDH funds the 25% match with license fees and general revenue);
- Medicaid funding for IDRs for facilities certified for Medicaid only, would be 50% Medicaid (from OHCA) and 50% state (funded by OSDH from fees and general revenue), provided payment for IDRs is allowed in the Oklahoma Medicaid State Plan;
- Intermediate care facilities for individuals with intellectual disabilities would be 50% Medicaid (OHCA) and 50% state (OSDH funding)
- IDRs for nursing facilities that are state licensed only (no Medicare/Medicaid certification) would not be paid by CMS or OHCA, OSDH would have to fund these 100% from fees and general revenue;
- There is no CMS or OHCA funding for IDRs in assisted living centers, OSDH would have to fund these 100% with fees and general revenue;
- OSDH would need to include the amount of the contractual agreement in the budget reviewed and approved by CMS. Invoices paid would become part of the reporting requirement to CMS to ensure reported expenses;

- Depending on the amount of the contract, the IDR contract may take funding away from other survey and certification budget items that have been typically funded in the past. CMS only provides so much allotment each year and OSDH has to try to fit all plans within that allotted amount.

The OSDH did some earlier rough-cost projections based on a comparison to Texas – the annual number for Oklahoma came out to be about \$115,000, which would be subject to the matching above if CMS approves to provide federal funds.

Prepared By: Stacy Johnson

Other Considerations

None.