

HB 1574-FN – AS INTRODUCED

2014 SESSION

14-2466
10/01

HOUSE BILL ***1574-FN***

AN ACT relative to the cap on total billings to counties for nursing home care costs.

SPONSORS: Rep. Kurk, Hills 2

COMMITTEE: Health, Human Services and Elderly Affairs

ANALYSIS

This bill establishes a formula for calculating the cap on the state's total billings to counties of nursing home care costs for each state fiscal year of subsequent bienniums.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears [~~in brackets and struck through~~].
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Fourteen

AN ACT relative to the cap on total billings to counties for nursing home care costs.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 County Liability for Nursing Home Care Costs. RSA 167:18-a, II is repealed and reenacted to
2 read as follows:

3 II.(a) The total billings to all counties made pursuant to this section shall not exceed
4 \$109,000,000 for state fiscal year 2014. For all state fiscal years beginning with fiscal year 2015,
5 total billings to all counties made pursuant to this section shall not exceed the amount determined by
6 the department, as one amount applicable to both years of a biennium, according to the following
7 procedure:

8 (1) Separately calculate the average amount in total funds spent in the state by
9 combining amounts expended by both the state and the counties in each of the 3 prior years for
10 which data is available to provide:

11 (A) Long-term care services, including nursing homes, aid to the permanently
12 and totally disabled, old age assistance, and home and community-based care; and

13 (B) Children's services under the provisions of RSA 169-B, RSA 169-C, and
14 RSA 169-D.

15 (2) Do the same calculations for the next 2 earlier 3-year periods in order to
16 determine the 3-year rolling average for each of the amounts described in subparagraphs (1)(A) and
17 (B).

18 (3) Calculate separately for the amounts described in both subparagraphs (1)(A) and
19 (B) the year-to-year rate of growth based on the rolling averages.

20 (4) Calculate the weighted average of the rolling 3-year growth rates by combining
21 the separate growth rates in subparagraph (3) in proportion to their relation to the total amounts
22 expended for in subparagraphs (1)(A) and (B).

23 (5) Multiply the most recent year for which a total billings cap was calculated by 1
24 plus the weighted average growth rate to determine the total billings cap for each of the 2 fiscal
25 years in the biennium next following.

26 (b) If the county cap on total billings calculated as described in subparagraph (a) for any
27 year in any biennium after fiscal year 2014 is less than the statutory amount for fiscal year 2014,
28 then the statutory amount for fiscal year 2014 shall be the total billings cap for each year of that
29 biennium.

30 2 Effective Date. This act shall take effect July 1, 2014.

HB 1574-FN - FISCAL NOTE

AN ACT relative to the cap on total billings to counties for nursing home care costs.

FISCAL IMPACT:

The Department of Health and Human Services states this bill, **as introduced**, will increase state expenditures and decrease county expenditures by \$1,290,000 in FY 2015. The Department states this bill will have an indeterminable fiscal impact on state and county expenditures in FY 2016 and in each year thereafter. The Association of Counties states this bill will have an indeterminable impact on county expenditures. There will be no fiscal impact on state, county or local revenue, or local expenditures.

METHODOLOGY:

The Department of Health and Human Services states this bill would establish a formula for calculating the cap on county billings. The formula would produce a weighted average growth rate based on three-year rolling averages of the total cost for nursing home services, aid to the permanently and totally disabled, old age assistance, home and community-based care, and children's services. The Department applied the formula to calculate the cap on county billings for FY 2015 to be \$111.21 million. The Department states the current cap for FY 2015 is \$112.50 million. The lower cap would reduce the counties' cost by \$1.29 million and an increase the state cost by \$1.29 million. The Department assumes the calculation would be performed in the spring of each odd numbered year to determine the cap amounts for the following biennium. The Department is not able to perform the calculation for FY 2016 and future years as the necessary expenditure data is not yet available.

The Association of Counties states the bill establishes a calculation for determining the annual cap on the counties' liability for the Medicaid cost of individuals receiving nursing home and home and community based care services. The Association does not have access to the expenditure data for the services for which the counties are not currently liable and cannot estimate the fiscal impact on county expenditures. The Association assumes, because the cap in future years will never be lower than the cap for FY 2014, county expenditures will increase.