



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #433

ICF-MR Bed Assessment (DHS -- Medical Assistance -- Long-Term Care)

[LFB 2009-11 Budget Summary: Page 366, #7]

CURRENT LAW

Under current law, DHS assesses intermediate care facilities for the mentally retarded (ICFs-MR) a monthly amount per licensed bed. Similar to the monthly assessment on licensed nursing home beds, all revenue collected from the assessment on ICF-MR beds is deposited to the medical assistance (MA) trust fund to support a portion of the state's share of MA benefits costs. In 2008-09, the monthly assessment is \$638 per licensed bed.

The monthly assessment, which the Department of Health Services (DHS) adjusts annually, is based on the projected annual gross revenue of all ICFs-MR in the state, including the three state Centers for People with Developmental Disabilities, in accordance with a formula specified in statute. The total amount DHS may collect from the monthly assessment in a year may not exceed 5.5% of the aggregate gross revenues of these facilities.

The three Centers are licensed as ICFs-MR and are therefore required to pay the monthly assessment.

GOVERNOR

Provide \$1,260,900 (\$504,300 SEG and \$756,600 FED) in 2009-10 and \$1,567,200 (\$620,100 SEG and \$947,100 FED) in 2010-11 to reflect a reestimate of the revenues collected from the bed assessment on licensed beds of ICFs-MR, and budgeting these additional revenues, together with federal MA matching funds, to: (a) increase MA rates paid to ICFs-MR by 2% in 2009-10 and by an additional 2% in 2010-11; (b) increase MA rates paid under the ICF-MR restructuring initiative waiver program by 1% in 2009-10 and an additional 1% in 2010-11; and (c) reimburse facilities, through higher MA reimbursements, for their costs in paying the increased assessment.

MODIFICATION

Increase funding for the State Centers by \$281,800 PR in 2009-10 and by \$358,100 PR in 2010-11, to fund additional costs the Centers will incur to pay the higher monthly bed assessments.

Explanation: This change, which was requested by the administration, would provide funding for the Centers to support the Centers' higher costs of paying the bed assessment in the 2009-11 biennium. This funding was inadvertently omitted from the bill.

Based on the current estimate of the number of licensed beds at the Centers (587 in 2009-10 and 563 in 2010-11) and the projected increases in the ICF-MR assessment from the current assessment of \$638 per month (\$40 per bed in 2009-10 and \$53 in 2010-11), the increased costs to the Centers of paying the assessment is estimated to be \$281,800 PR in 2009-10 (587 beds x \$40 per bed/month x 12 months = \$281,800) and \$358,100 PR in 2010-11 (563 beds x \$53 per bed/month x 12 months = \$358,100).

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