

State Impact

This bill establishes an assessment on nursing care facilities in order to gain federal matching funds to enhance the total funding for these facilities. The bill authorizes the assessment to be up to 6% of each nursing care facility's total annual accrual basis gross revenue. It is estimated that each 1% would generate \$1.8 million to the Special Revenue Fund established in the bill. These funds could be matched with \$4.6 million of federal Medicaid funds. The nursing care facility industry estimates the assessment in FY 2005 will be set at 4.25%, accruing a total of \$27,360,500.

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2005</u>	<u>FY 2006</u>
	<u>Approp.</u>	<u>Approp.</u>	<u>Revenue</u>	<u>Revenue</u>
Federal Funds	\$19,710,500	\$19,710,500	\$19,710,500	\$19,710,500
Special Revenue Fund	\$7,650,000	\$7,650,000	\$7,650,000	\$7,650,000
TOTAL	\$27,360,500	\$27,360,500	\$27,360,500	\$27,360,500

Individual and Business Impact

Owners of nursing care facilities will incur the increased costs of the assessment. This increase will be offset by an increase in reimbursement rate for Medicaid patients. Private-pay patients in nursing care facilities will likely see an increase in their charges, if the owners pass the cost of the assessment on to them.
