



# MEDICAID SANCTIONS

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE  
STAFF: RUSSELL FRANSEN

BUDGET BRIEF

## **SUMMARY**

The Analyst's base budget recommendation is \$250,000 for Medicaid Sanctions in FY 2014. This brief highlights some issues in Medicaid Sanctions as well as some uses of the funding provided. The Subcommittee annually reviews each base budget to propose any changes and to vote to approve it. The Analyst recommends that the Subcommittee approve the \$250,000 base budget, the transfer of funds, and the intent language.

## **LEGISLATIVE ACTION**

- The Analyst recommends that the Social Services Appropriations Subcommittee approve a base budget for FY 2014 for Medicaid Sanctions in the amount of \$250,000. This includes the Analyst-recommended changes discussed in this brief.
- The Analyst recommends approval of the intent language included in the brief.

## **ISSUES AND RECOMMENDATIONS**

The Analyst base budget recommendation is \$250,000 for FY 2014. The Department estimates \$832,900 to be retained in the line item via nonlapsing authority. Penalties are levied on providers who are involved in one or more of the following:

1. Deficiencies that pose an immediate jeopardy to residents
2. Substandard quality of care
3. Failure to correct deficiencies by follow up dates
4. Repeated harm to residents found in subsequent facility surveys

Funds in this line item are very infrequently used because of the limitations for the funds mentioned above. Recent uses of this funding have been some provider training session in 2009 and 2010 as well as the costs of the closure of Rosewood Terrace in 1999.

### ***Analyst-recommended Changes***

The Analyst recommends approving a request to transfer \$100,000 of Beginning Nonlapsing to the Family Health and Preparedness line item from Medicaid Sanctions for FY 2013 and \$250,000 in FY 2014. This will allow Family Health and Preparedness to use these funds to subsidize background screening fees to nursing care providers to meet the new screening requirements for the federal National Background Check Program grant as well as a project to reduce hospital readmissions within 30 days of leaving a hospital.

### ***Intent Language – Similar to Last Year***

The Analyst recommends the approval of the following intent language, similar language was included as part of last year's budget:

*The Legislature intends that funds collected as a result of sanctions imposed under Section 1919 of Title XIX of the federal Social Security Act and authorized in UCA 26-18-3 shall not lapse at the close of Fiscal Year 2013. The use of any nonlapsing funds is limited to the purposes outlined in Section 1919.*

## **ACCOUNTABILITY DETAIL**

Penalties imposed by the federal government are the funds in this line item. Below are the largest 39:

MEDICAID SANCTIONS

Facility Name	Survey Date	Fines Due	Amount Collected	Medicare Portion	Medicaid Portion
Rosewood Terrace	12/13/1995	\$ 319,100	\$ -	\$ -	\$ 319,100
South Valley Health Center	2/29/1996	\$ 157,200	\$ -	\$ -	\$ 135,100
Mt. Ogden Nursing and Rehab	10/27/1999	\$ 114,000	\$ 114,000	\$ 39,900	\$ 74,100
Infinia at Granite Hills	8/7/2001	\$ 89,300	\$ -	\$ -	\$ 89,300
South Ogden / Country Meadows	1/30/1997	\$ 64,500	\$ -	\$ -	\$ 54,500
Oakview Living Center	3/15/2004	\$ 58,600	\$ 61,500	\$ -	\$ 61,500
Pine Ridge Care Center	10/27/2005	\$ 52,300	\$ -	\$ -	\$ 52,300
Heritage Bennion	4/28/1999	\$ 49,500	\$ -	\$ -	\$ 27,400
South Ogden Rehab Center	1/30/1997	\$ 44,900	\$ -	\$ -	\$ 44,900
Castle Country Care Center	4/25/2006	\$ 41,700	\$ 41,700	\$ 800	\$ 40,900
Infinia at Ogden	11/17/2000	\$ 33,100	\$ -	\$ -	\$ 33,100
Paramount Health & Rehab	12/3/2007	\$ 29,900	\$ 32,400	\$ 4,800	\$ 27,500
Murray Care Center	8/3/2009	\$ 29,600	\$ 29,600	\$ 13,000	\$ 16,600
Mt. Ogden	1/6/2005	\$ 28,400	\$ 28,400	\$ 1,700	\$ 26,700
Evergreen Canyons Health	11/20/2007	\$ 24,400	\$ 24,400	\$ 700	\$ 23,700
Pine Ridge Care Center	11/5/2003	\$ 24,100	\$ -	\$ -	\$ 24,600
Kolob Care and Rehab	7/10/2003	\$ 23,900	\$ 23,900	\$ 9,100	\$ 14,800
Infinia at Granite Hills	9/1/2005	\$ 23,500	\$ 23,500	\$ 13,000	\$ 10,500
Christus St. Joseph Villa	5/1/2002	\$ 8,000	\$ 8,000	\$ 1,800	\$ 6,200
Crestview Care Center	1/31/2003	\$ 6,800	\$ 6,800	\$ 1,100	\$ 5,700
Friendship Villa	5/10/2002	\$ 6,500	\$ -	\$ -	\$ 6,500
Castle Country Care Center	9/28/2004	\$ 6,500	\$ 6,500	\$ 1,400	\$ 5,100
Draper Rehab	2/13/2006	\$ 6,500	\$ 6,500	\$ 900	\$ 5,600
Advantage Healthcare/Infinia at Granite Hills	5/17/1999	\$ 6,200	\$ -	\$ -	\$ 6,300
Rocky Mtn Care Murray	4/22/2010	\$ 6,000	\$ 6,000	\$ 1,500	\$ 4,500
Rocky Mtn Care Murray	4/22/2010	\$ 6,000	\$ 6,000	\$ 1,500	\$ 4,500
Legacy Rehab and Nursing	8/17/2009	\$ 5,500	\$ 5,500	\$ 500	\$ 5,000
South Ogden Rehab Center	11/7/2002	\$ 5,100	\$ 5,100	\$ 300	\$ 4,900
Millard County Care and Rehab	9/17/2010	\$ 5,000	\$ 4,400	\$ -	\$ 4,400
Sugar House Care and Rehab	7/15/2010	\$ 4,200	\$ 4,200	\$ 100	\$ 4,100
Rocky Mtn Care Murray	11/18/2010	\$ 3,600	\$ 3,600	\$ 300	\$ 3,300
Mt Olympus Rehab Center	11/10/2010	\$ 3,500	\$ 3,500	\$ 300	\$ 3,200
Avalon Valley Rehab	9/2/2010	\$ 3,000	\$ 2,500	\$ -	\$ 2,500
Highland Care Center	4/4/2011	\$ 3,000	\$ 3,000	\$ 2,900	\$ 200
Garden Terrace Alzheimers	10/21/2010	\$ 2,600	\$ -	\$ -	\$ -
Avalon Valley Rehab	6/1/2011	\$ 2,600	\$ 2,600	\$ 500	\$ 2,100
Bennion Care Center	7/6/2010	\$ 2,000	\$ 2,000	\$ 300	\$ 1,700
Logan Nursing and Rehab	4/18/2011	\$ 2,000	\$ 1,300	\$ 400	\$ 900
Draper Rehabilitation	2/24/2011	\$ 2,000	\$ 2,000	\$ 700	\$ 1,300
<b>TOTAL</b>	<b>39</b>	<b>\$ 1,304,600</b>	<b>\$ 458,900</b>	<b>\$ 97,500</b>	<b>\$ 1,154,600</b>

**Explanatory Notes:**

- where amount paid exceeds fines, this is usually because of interest accrued on fines.
- money collected from withholding future payments is not reflected in this table.

**OVERVIEW**

Medicaid Sanctions are funds collected as a result of a sanctions imposed under [Section 1919 of Title XIX of the federal Social Security Act](#). These funds must be deposited in the General Fund as non-lapsing dedicated credits to be used by the Department of Health in accordance with the requirement of [Section 1919](#). Funds may be used only for the costs of relocation of residents to other facilities, maintenance of operation of a facility pending correction of deficiencies or closure, and reimbursement of resident for personal funds lost unless approval for other expenditures is obtained from the federal government. The Federal government has approved funds for the following projects: (1) in February 1998, when the Department took over operations at Rosewood Terrace Care Center due to substandard conditions, (2) project to reduce hospital readmissions, and (3) subsidization of background screening efforts. For more detailed information please see the [Compendium of Budget Information for the 2013 General Session at http://le.utah.gov/lfa/reports/cobi2013/LI\\_LCA.htm](#).

**BUDGET DETAIL**

The budget listed in the table below details the allocations in the base budget bill.

<b>Health - Medicaid Sanctions</b>						
	<b>FY 2012</b>	<b>FY 2013</b>		<b>FY 2013</b>		<b>FY 2014*</b>
<b>Sources of Finance</b>	<b>Actual</b>	<b>Appropriated</b>	<b>Changes</b>	<b>Revised</b>	<b>Changes</b>	<b>Recommended</b>
Dedicated Credits Revenue	0	100,000	0	100,000	150,000	250,000
Beginning Nonlapsing	1,082,900	982,900	0	982,900	(150,000)	832,900
Closing Nonlapsing	(1,082,900)	(982,900)	0	(982,900)	150,000	(832,900)
<b>Total</b>	<b>\$0</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$100,000</b>	<b>\$150,000</b>	<b>\$250,000</b>
<b>Programs</b>						
Medicaid Sanctions	0	100,000	0	100,000	150,000	250,000
<b>Total</b>	<b>\$0</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$100,000</b>	<b>\$150,000</b>	<b>\$250,000</b>
<b>Categories of Expenditure</b>						
Current Expense	0	100,000	0	100,000	150,000	250,000
<b>Total</b>	<b>\$0</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$100,000</b>	<b>\$150,000</b>	<b>\$250,000</b>

\*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.