

PROGRAM DESCRIPTION

Department: Social Services

HB Section(s): 11.730

Program Name: Nursing Facility

Program is found in the following core budget(s): Nursing Facility

1a. What strategic priority does this program address?

Ensure adequate supply of nursing facilities for MO HealthNet participants

1b. What does this program do?

This program provides reimbursement to nursing facilities for the care of MO HealthNet participants. Providers are reimbursed for MO HealthNet participants based on the participants' days of care multiplied by the facility's Title XIX per diem rate less any patient surplus (i.e., funds contributed by the participant). A per diem rate is established for each nursing facility by the Institutional Reimbursement Unit (IRU) of the MO HealthNet Division (MHD) utilizing a prospective reimbursement system. A prospective rate is established on a particular cost report year and is adjusted in subsequent years for global per diem rate adjustments granted to the industry as a whole. Rates may be recalculated on a more recent cost report year, which is referred to as rebasing. Rates were last rebased in SFY 2005 using 2001 cost reports trended to 2005, with global per diem rate adjustments granted in subsequent years. The per diem rate is paid from both the Nursing Facility budget section and the Nursing Facility Reimbursement Allowance (NFRA) budget section.

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Rate History

Rate adjustments are funded with General Revenue (GR), General Revenue Equivalents (GRE), and NFRA.

The following are the most recent GR/GRE funded rate adjustments from the Nursing Facility (NF) budget section and the NFRA funded adjustments from the NFRA budget section:

SFY	Weighted Avg.	Adjustment	Source
2021	\$162.98	(\$0.12)	GR from NF Approp (Effective July 1, 2020 - The SFY 20 rate increase was reduced to one dollar and forty-nine cents (\$1.49) in SFY 2021, the appropriation will be expended over 12 months in SFY 2021.)
2020	\$163.10	\$1.61	GR from NF Approp (Effective 8/1/19-6/30/20 - The increase in the SFY 2020 nursing facility appropriation was expended in 11 months during SFY 2020 as the per diem increase was not effective until August 1, 2019.)
	\$161.49	(\$0.75)	GR from NF Approp (Effective 7/1/19 - The SFY 19 supplemental increase of \$1.29 was reduced back to \$0.54 for SFY 20)
2019	\$162.24	\$1.29	GR from NF Approp (Effective 2/1/19-6/30/19 - The SFY 19 supplemental budget provided for a \$0.54 increase that could not be implemented at the beginning of SFY 19 due to restricting budget language. The \$0.54 increase could not be effective until 2/1/19 so it had to be increased to \$1.29 to expend the funds in the remainder of SFY 19.)
	\$160.95	(\$0.47)	NFRA from NFRA Approp (Effective 7/1/18 - Due to a change in the NFRA assessment. The current NFRA assessment rate is included in the per diem rate so changes to the assessment rate affect the per diem rate by the same amount.)
	\$161.42	\$7.76	GR from NF Approp (Effective 7/1/18)
	\$153.66	\$0.54	GR from NF Approp (\$5.37 Decrease reduced to \$4.83 in FY 19, i.e. \$0.54 increase effective 7/1/18)
2018	\$153.12	(\$5.37)	GR from NF Approp (\$5.37 Decrease effective 8/1/17-6/30/18)
2017	\$158.49	\$2.83	GR from NF Approp (Additional Rate Increase for SFY 2017 using GR)
	\$155.66	\$2.09	GR from NF Approp (Continued \$2.09 increase from SFY 2016 using GR)
2016	\$155.66	\$2.09	GRE from NF Approp (Increase from Tax Amnesty Fund only for Jan. 2016 - June 2016)
	\$153.57	\$1.29	NFRA from NFRA Approp

Hospice Room and Board

Increases/Decreases to nursing facility and HIV nursing facility per diem rates also impact the hospice program. Hospice providers that furnish services to MO HealthNet participants residing in a nursing facility will be reimbursed 95% of the nursing facility's per diem rate for room and board, pursuant to 13 CSR 70-50.010 and 1902(a)(13) of the Social Security Act.

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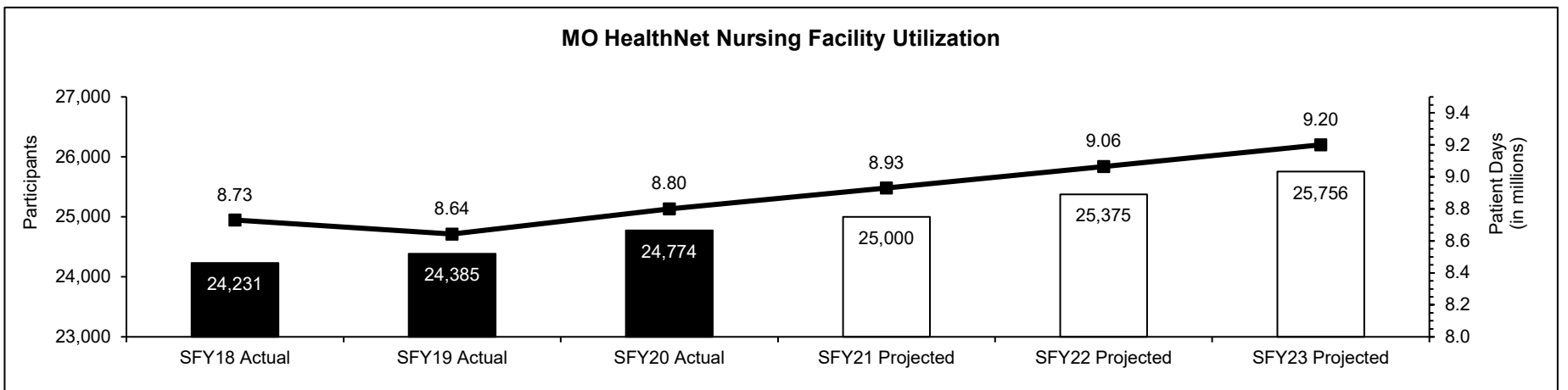
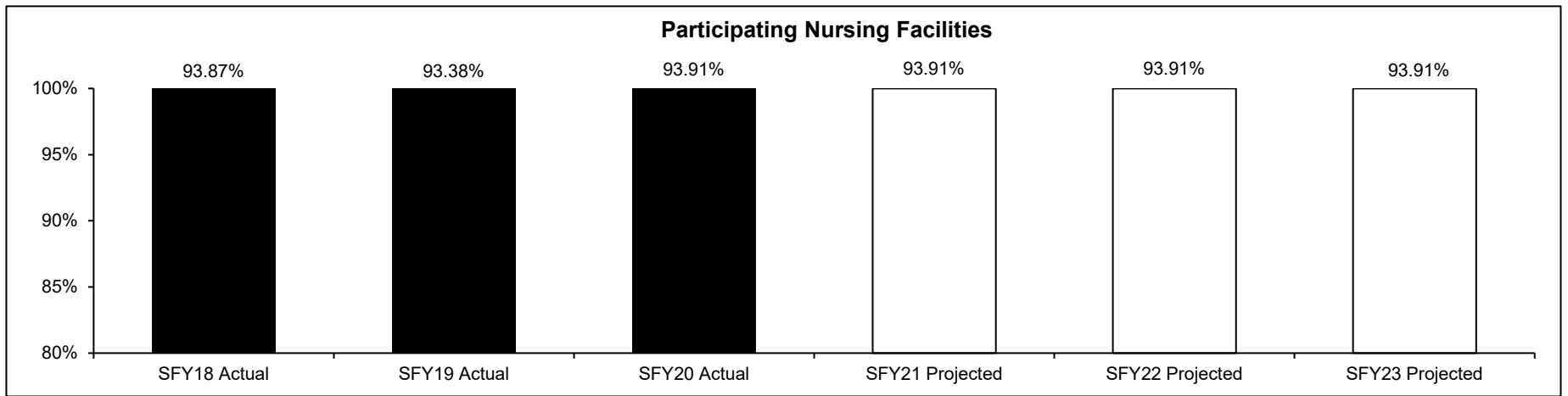
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2a. Provide an activity measure(s) for the program.

An average of 509 facilities were enrolled in the MO HealthNet program during SFY 20, representing a 93.91% participation rate and ensuring access to quality nursing facility services for MO HealthNet participants.



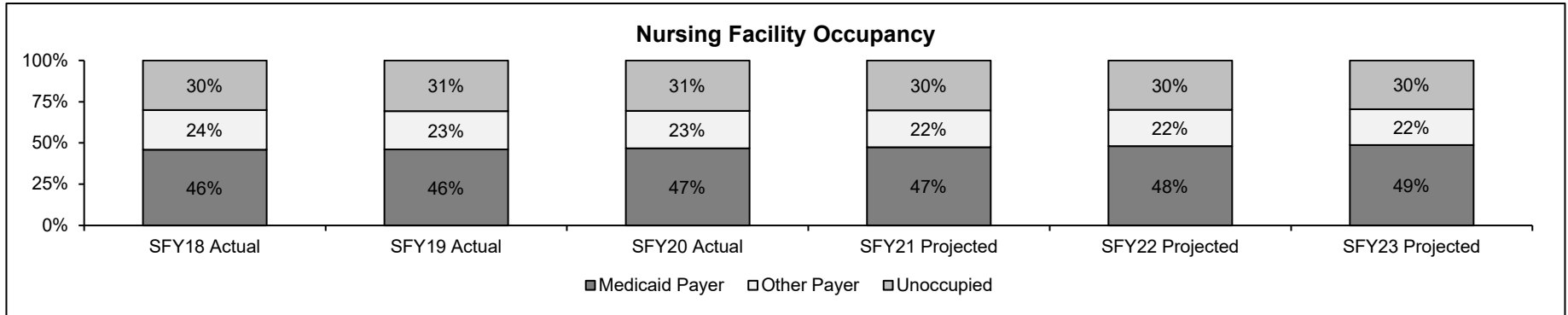
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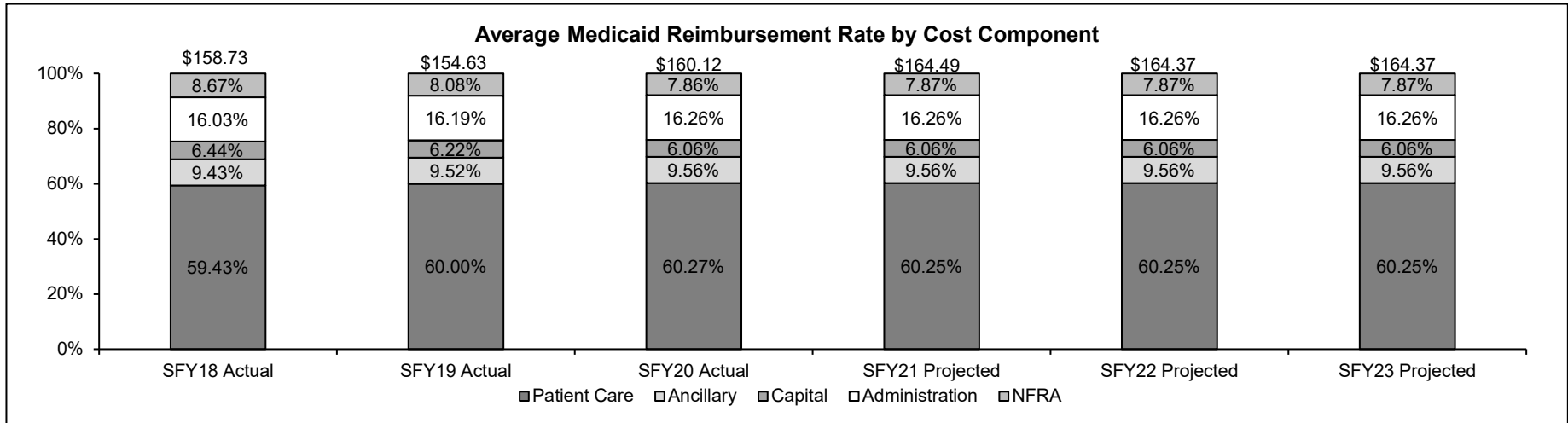
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Based on information provided through the Certificate of Need Survey Summary

2b. Provide a measure(s) of the program's quality.

The nursing facility reimbursement methodology targets and encourages quality patient care. In the past three state fiscal years, nearly 70% of the average Medicaid reimbursement rate is related to patient care, with 60% being direct patient care services and more than 9% being ancillary services which includes therapies, dietary, housekeeping, etc.



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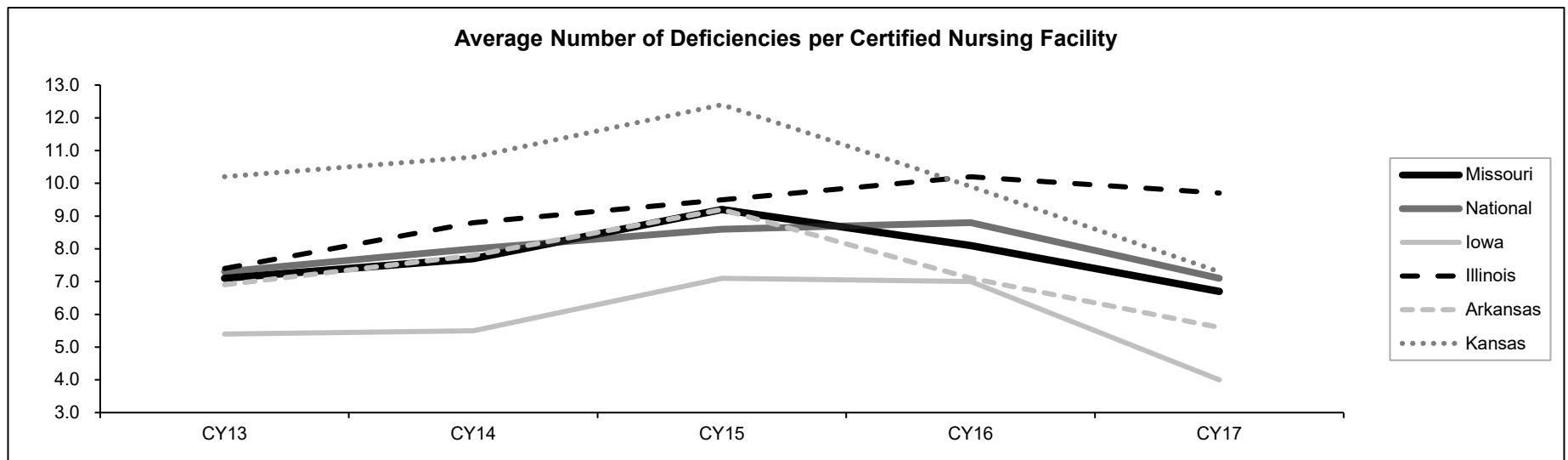
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2c. Provide a measure(s) of the program's impact.

Certified nursing facilities are subject to inspections by the Department of Health and Senior Services to ensure compliance with regulations and are cited for deficiencies. Surveyors assess both the process and the outcomes of nursing facility care for 175 different requirements across 8 areas.



CY17 is the latest data available.

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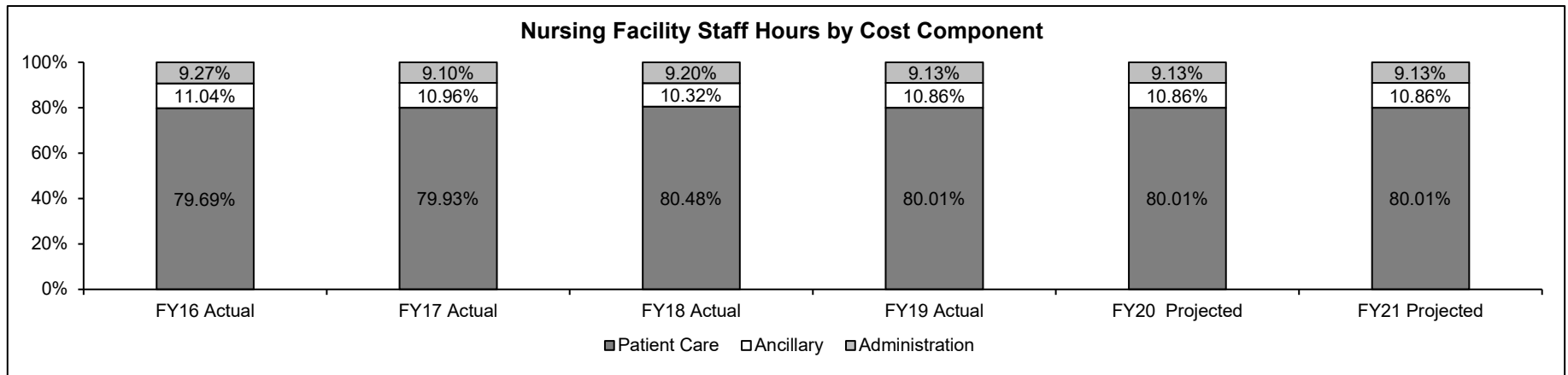
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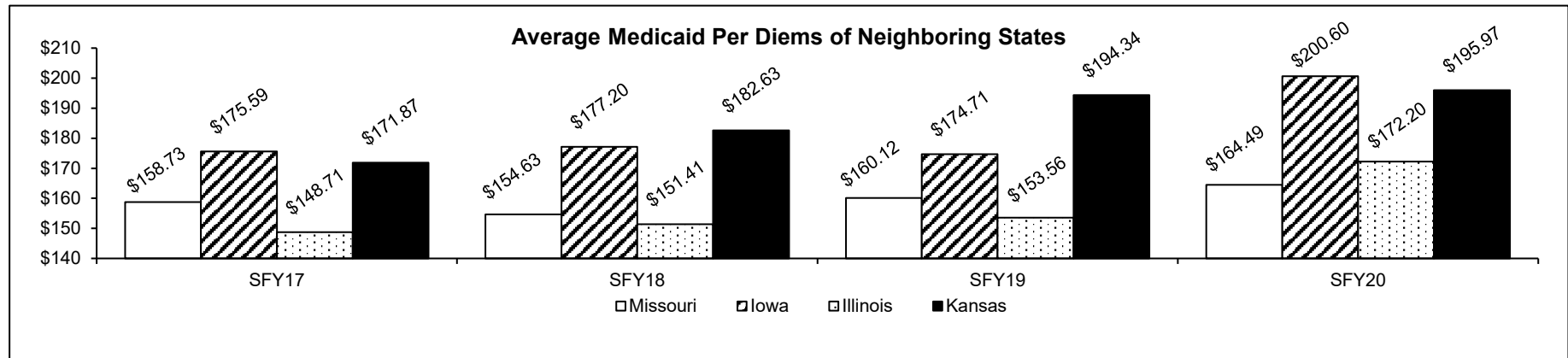
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2d. Provide a measure(s) of the program's efficiency.

The reimbursement under this program targets and encourages quality patient care through its reimbursement. The focus of the reimbursement on direct patient care is directly reflected here with over 79% of staff hours being spent on direct patient care, per the data from facility cost reports.



Missouri's per diem rate is comparable to surrounding states. Surrounding state rates have been converted to an annual average figure, from quarterly or semiannual figures, for comparison purposes.



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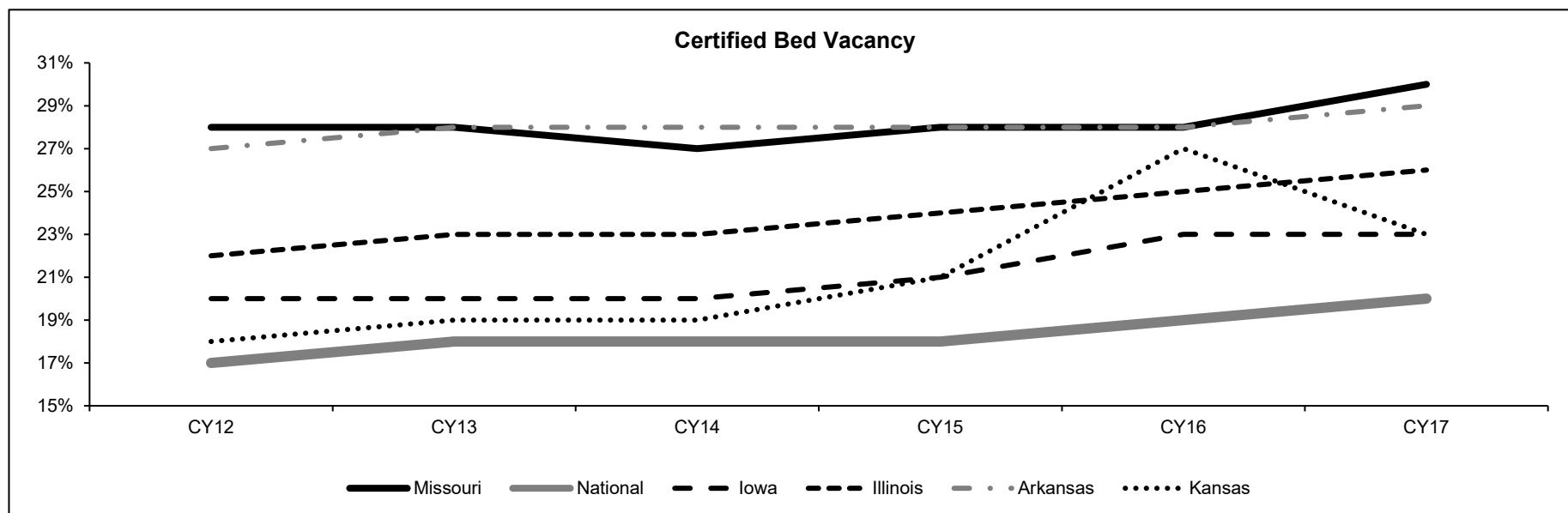
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Missouri has enrolled a sufficient number of providers to ensure access to care for nursing facility services; compared to surrounding states, there are a greater percent of vacant beds in Missouri than nationally, and is generally higher than surrounding states.



CY 17 is the latest data available.

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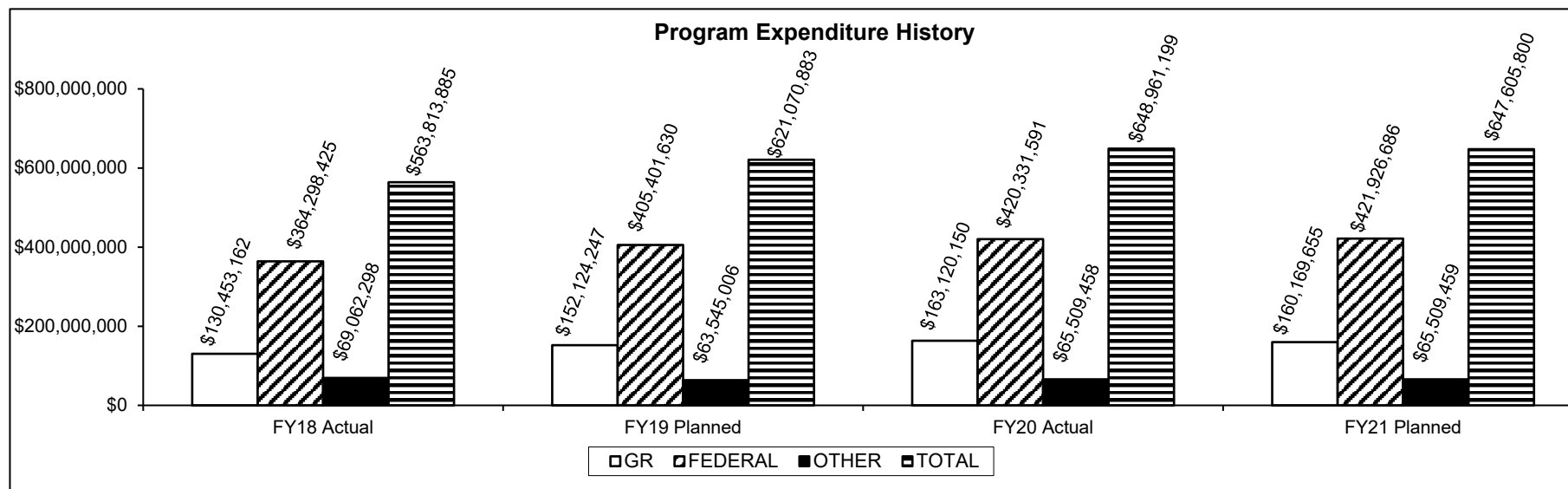
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3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



Planned FY2021 expenditures are net of reverted and reserves.

4. What are the sources of the "Other" funds?

Uncompensated Care Fund (0108), Third Party Liability Collections Fund (0120), Healthy Families Trust Fund (0625)

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Federal Law: Social Security Act Section 1905(a)(4). Federal Reg: 42 CFR 440.40 and 440.210. State Statute: Sections 208.152, 208.153, 208.159, and 208.201, RSMo.

6. Are there federal matching requirements? If yes, please explain.

The FMAP (Federal Medical Assistance Percentage) fluctuates annually based on state and national economic and population data, but generally the state matching requirement is around 35% and the federal match is around 65%.

7. Is this a federally mandated program? If yes, please explain.

Yes, 42 CFR 440.40 and 440.210 mandate this program for participants over age 21.