

House Study Bill 124

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
HUMAN RESOURCES BILL
BY CHAIRPERSON UPMEYER)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to a nursing facility quality assurance
2 assessment, providing a contingent effective date, providing
3 for retroactive applicability, and providing an effective
4 date.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
6 TLSB 2005HC 81
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1 1 Section 1. Section 249A.20B, Code 2005, is amended by
1 2 striking the section and inserting in lieu thereof the
1 3 following:
1 4 249A.20B NURSING FACILITY QUALITY ASSURANCE ASSESSMENT.
1 5 1. The department shall assess licensed nursing facilities
1 6 a quality assurance assessment not to exceed six percent of
1 7 the total annual revenue of the nursing facility. The maximum
1 8 assessment shall be consistent with the guidelines established
1 9 by the centers for Medicare and Medicaid services of the
1 10 United States department of health and human services and the
1 11 corresponding waiver of the uniform tax requirement granted
1 12 pursuant to the waiver request submitted under this section.
1 13 2. The quality assurance assessment shall be collected by
1 14 the department in equal monthly amounts on or before the
1 15 fifteenth day of each month. The department may deduct the
1 16 monthly assessment amount from medical assistance payments to
1 17 a nursing facility. The amount deducted from payments shall
1 18 not exceed the total amount of the fee due.
1 19 3. Revenue generated from the quality assurance assessment
1 20 shall be deposited in the senior living trust fund created in
1 21 section 249H.4. The revenues shall only be used for services
1 22 for which federal financial participation under the medical
1 23 assistance program is available to match state funds.
1 24 4. The department of human services shall provide a
1 25 reimbursement to nursing facilities under this section. The
1 26 reimbursement amount shall be calculated as a per patient day
1 27 amount and shall be paid to nursing facilities in addition to
1 28 the reimbursement payment specified in 2001 Iowa Acts, chapter
1 29 192, section 4, subsection 2, paragraph "c".
1 30 5. If federal financial participation to match the
1 31 assessments made under subsection 1 becomes unavailable under
1 32 federal law, the department shall terminate the imposition of
1 33 the assessment beginning on the date that the federal
1 34 statutory, regulatory, or interpretive change takes effect.
1 35 6. The department may procure a sole source contract to
2 1 implement the provisions of this section.
2 2 7. For the purposes of this section, "nursing facility"
2 3 means nursing facility as defined in section 135C.1, excluding
2 4 residential care facilities and nursing facilities that are
2 5 operated by the state.
2 6 8. The department may adopt administrative rules under
2 7 section 17A.4, subsection 2, and section 17A.5, subsection 2,
2 8 paragraph "b", to implement this section.
2 9 Sec. 2. STATE PLAN AMENDMENT == QUALITY ASSURANCE
2 10 ASSESSMENT == WAIVER OF UNIFORM TAX.
2 11 1. The department of human services shall submit a medical
2 12 assistance state plan amendment to the centers for Medicare
2 13 and Medicaid services of the United States department of
2 14 health and human services to effectuate the nursing facility
2 15 quality assurance assessment. The department of human
2 16 services shall take any necessary steps to preserve the

2 17 original applicability date of October 1, 2003, established
2 18 pursuant to 2003 Iowa Acts, chapter 112, section 4, subsection
2 19 9, as amended by 2004 Iowa Acts, chapter 1085, sections 8 and
2 20 10.

2 21 2. The department of human services shall submit an
2 22 application to the secretary of the United States department
2 23 of health and human services to request a waiver of the
2 24 uniform tax requirement pursuant to 42 U.S.C. } 1396b(w)(3)(E)
2 25 and 42 C.F.R. } 433.68(e)(2).

2 26 Sec. 3. CONTINGENT EFFECTIVE DATE.

2 27 1. Section 1 of this Act, amending section 249A.20B, shall
2 28 not take effect unless the department of human services
2 29 receives approval of both the medical assistance state plan
2 30 amendment submitted pursuant to section 2 of this Act from the
2 31 centers for Medicare and Medicaid services of the United
2 32 States department of health and human services to effectuate
2 33 the nursing facility quality assurance assessment and of the
2 34 application to the secretary of the United States department
2 35 of health and human services for a waiver of the uniform tax
3 1 requirement pursuant to 42 U.S.C. } 1396b(w)(3)(E) and 42
3 2 C.F.R. } 433.68(e)(2) submitted pursuant to section 2 of this
3 3 Act. If both approvals are received, the amendment to section
3 4 249A.20B in this Act shall take effect upon the date that both
3 5 approvals have been received by the department, and the
3 6 department shall notify the Code editor of the date of receipt
3 7 of the approvals.

3 8 2. If both approvals described in subsection 1 are not
3 9 received by June 30, 2005, the section of this Act amending
3 10 section 249A.20B is repealed.

3 11 Sec. 4. RETROACTIVE APPLICABILITY. If the amendment to
3 12 section 249A.20B in this Act takes effect as provided in
3 13 section 3 of this Act, any assessment made under section
3 14 249A.20B, as amended, may be made retroactive to October 1,
3 15 2003, if preserved as provided in section 2 of this Act, or
3 16 the applicability date approved in the state plan amendment.

3 17 Sec. 5. EFFECTIVE DATES. Section 2 of this Act, relating
3 18 to directing the department of human services to submit a
3 19 medical assistance state plan amendment to the centers for
3 20 Medicare and Medicaid services of the United States department
3 21 of health and human services to effectuate the nursing
3 22 facility quality assurance assessment and directing the
3 23 department of human services to submit an application to the
3 24 secretary of the United States department of health and human
3 25 services for a waiver of the uniform tax requirement pursuant
3 26 to 42 U.S.C. } 1396b(w)(3)(E) and 42 C.F.R. } 433.68(e)(2),
3 27 being deemed of immediate importance, takes effect upon
3 28 enactment.

3 29 EXPLANATION

3 30 This bill provides for a quality assurance assessment not
3 31 to exceed 6 percent of the total annual revenue of a licensed
3 32 nursing facility. The maximum assessment on a nursing
3 33 facility is to be consistent with the guidelines established
3 34 by the centers for Medicare and Medicaid services of the
3 35 United States department of health and human services and the
4 1 corresponding waiver of uniformity of the assessment granted
4 2 by the federal government. This is similar to a provision
4 3 enacted in 2003 which did not take effect due to lack of
4 4 federal approval of the medical assistance state plan
4 5 amendment and the waiver of the uniform tax requirement.

4 6 The bill directs the department of human services (DHS) to
4 7 submit a medical assistance state plan amendment to the
4 8 centers for Medicare and Medicaid services of the United
4 9 States department of health and human services to effectuate
4 10 the assessment. The bill directs DHS to take any necessary
4 11 steps to preserve the original retroactive applicability date
4 12 of October 1, 2003, that was established pursuant to the 2003
4 13 enactment as amended by a 2004 enactment.

4 14 The bill also directs DHS to submit an application to the
4 15 secretary of the United States department of health and human
4 16 services to request a waiver of the uniform tax requirement on
4 17 nursing facilities.

4 18 The bill provides that the assessment is to be collected by
4 19 DHS in equal monthly amounts on or before the 15th day of each
4 20 month, and that DHS may deduct the monthly assessment amount
4 21 from medical assistance payments to a nursing facility. The
4 22 amount deducted from payments is not to exceed the total
4 23 amount of the fee due.

4 24 Revenue generated from the assessment is to be deposited in
4 25 the senior living trust fund, and the revenues are only to be
4 26 used for services for which federal financial participation
4 27 under the medical assistance program is available to match

4 28 state funds.

4 29 The bill provides that if federal financial participation
4 30 to match the assessments becomes unavailable under federal
4 31 law, DHS is to terminate the imposition of the assessment
4 32 beginning on the date that the federal statutory, regulatory,
4 33 or interpretive change takes effect.

4 34 DHS may procure a sole source contract and may adopt
4 35 administrative rules to implement the bill.

5 1 The portions of the bill relating to implementation of the
5 2 quality assurance assessment do not take effect until DHS
5 3 receives approval of both the medical assistance state plan
5 4 amendment and the waiver of the uniform tax requirement. If
5 5 both approvals are received, these portions of the bill take
5 6 effect upon the date that both approvals have been received by
5 7 the department, and DHS is to notify the Code editor of the
5 8 date of receipt of the approvals. If both approvals are not
5 9 received by June 30, 2005, the provision is repealed. The
5 10 bill also provides that if the bill takes effect, the
5 11 assessment may be made retroactive to October 1, 2003, if
5 12 preserved under the original state plan amendment submitted,
5 13 or the applicability date approved in the state plan
5 14 amendment.

5 15 The portions of the bill directing DHS to submit a medical
5 16 assistance state plan amendment and to request a waiver of the
5 17 uniform tax requirement take effect upon enactment.

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