

House File 2312 - Introduced

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BY WINDSCHITL

A BILL FOR

1 An Act relating to rules for compensation under the medical
2 assistance program of individuals holding certain positions
3 in nursing facilities.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. RULES RELATING TO COMPENSATION OF NURSING
2 FACILITY EMPLOYEES. The department of human services shall
3 amend administrative rules adopted pursuant to chapter 249A
4 relating to limitations of expenses relating to a reasonable
5 allowance of compensation for services of owners of nursing
6 facilities or their immediate relatives under the medical
7 assistance program as specified in 441 IAC 81.6(11)(h) to
8 provide all of the following:

9 1. With regard to what constitutes compensation, the rules
10 shall provide that the costs of benefits, excluding employment
11 taxes but including group health insurance, retirement plans,
12 and education or other benefits, shall not be included in the
13 computation of the base maximum allowed compensation amount.
14 However, the costs attributable to such benefits shall not
15 exceed twenty percent of the amount that constitutes such base
16 maximum allowed compensation amount. A nursing facility shall
17 provide documentation of the costs of any benefits excluded
18 from the compensation for any related party.

19 2. In determining reasonableness of compensation, the facts
20 and circumstances of the case shall include whether the nursing
21 facility is located in a rural or urban area.

22 3. Beginning July 1, 2012, in determining the base maximum
23 allowed compensation for an administrator on a biannual
24 basis, the maximum allowed compensation amounts for such
25 administrators shall be calculated based upon the previous
26 year's averages of all nonrelated party administrators and
27 shall be increased or decreased by the inflation factor
28 specified in 441 IAC 81.6(18).

29 4. Beginning July 1, 2012, the maximum allowed compensation
30 for any other employee of a facility who has a five percent
31 or greater interest in ownership of the facility shall not
32 exceed seventy-five percent of the amount allowed for the
33 administrator of the facility.

34 Sec. 2. ADMINISTRATIVE RULES. The department of human
35 services may adopt emergency rules under section 17A.4,

1 subsection 3, and section 17A.5, subsection 2, paragraph "b",
2 to implement the provisions of this Act, and the rules shall
3 be effective immediately upon filing unless a later date is
4 specified in the rules. Any rules adopted in accordance with
5 this section shall also be published as a notice of intended
6 action as provided in section 17A.4.

7

EXPLANATION

8 This bill directs the department of human services to amend
9 administrative rules relating to what constitutes compensation
10 for services of owners of nursing facilities or their immediate
11 relatives under the medical assistance program. Benefits such
12 as group health insurance, retirement plans, and education or
13 other benefits are not to be included in the computation of the
14 base maximum allowed compensation amount, but are limited to 20
15 percent of such base maximum allowed compensation amount. The
16 determination of reasonableness of compensation is to include
17 whether the facility is located in a rural or urban area; the
18 determination of the base maximum allowed compensation for
19 an administrator is to include a comparison with all other
20 administrators plus an inflation amount; and the determination
21 of compensation for other employees who have at least a 5
22 percent ownership interest in the facility is not to exceed
23 75 percent of the amount allowed for the administrator of the
24 facility. The bill provides for adoption of emergency rules.