

SUMMARY OF NO. 19-11

This proposed law would change how reimbursement rates for nursing homes and rest homes paid by the state are established by the state Executive Office of Health and Human Services.

The proposed law would require the Executive Office to use historical costs from a "base year" not more than two years before the current year in calculating a provider's reimbursement rates. The proposed law would eliminate the Executive Office's ability to make adjustments for reasonableness, remove the current restriction against providers using costs from years other than the chosen base year to appeal the reimbursement rates established by the Executive Office, and set the occupancy standard for nursing homes used in calculating a nursing home's reimbursement rate as the statewide average from the base year.

The proposed law would require that the rates set for each provider be sufficient to pay all allowable costs of caring for beneficiaries of the state's MassHealth program and all allowable costs of implementation of any state or federal law, regulation, or other governmental mandate to the extent permissible by the United States Department of Health and Human Services Centers for Medicare and Medicaid Services. Any additional costs incurred by a provider as a result of the rate-setting process established by the proposed law would also be

included in that provider's rate.

The proposed law would require the Executive Office, in compliance with the methods and standards described above, to determine and certify rates for general health supplies, care, rehabilitative services, and accommodations incurred in the ordinary course of running a facility.

The proposed law would require that the Executive Office apply the regulations governing the calculation of nursing home rates in effect on January 25, 2019, to the extent that those regulations are consistent with the proposed law, when establishing rates for the covered facilities.

The proposed law could be amended only by a two-thirds roll-call vote of the Legislature.