

1 SENATE BILL NO. 296
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 10 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING THE SENIOR CARE FACILITY ACCESS AND
 11 STABILIZATION ACT; REVISING FUNDING LAWS RELATED TO SKILLED NURSING AND ASSISTED
 12 LIVING FACILITIES; ESTABLISHING PROCEDURES FOR CALCULATING PERSONAL NEEDS
 13 ALLOWANCES AND ROOM AND BOARD COSTS FOR ASSISTED LIVING RESIDENTS; REQUIRING
 14 MONEY APPROPRIATED FOR NURSING HOME SERVICES TO BE USED ONLY FOR THOSE PURPOSES;
 15 AMENDING SECTION 53-6-113, MCA; AND PROVIDING AN EFFECTIVE DATE."

16
 17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

18
 19 NEW SECTION. Section 1. Short title. [Sections 1 through 8] may be cited as the "Senior Care
 20 Facility Access and Stabilization Act".

21
 22 NEW SECTION. Section 2. Purpose. (1) The legislature affirms the importance of providing frail,
 23 elderly Montanans with quality residential long-term care services that meet health and safety standards and
 24 are provided close to home, family, and friends.

25 (2) The purposes of [sections 1 through 8] are to:

26 (a) ensure that residential long-term care services are available close to home for Montana seniors
 27 who need that level of care;

28 (b) ensure that the state takes steps to stabilize medicaid payments to residential long-term care

1 (b) The department shall establish reimbursement rates for nursing homes that provide a
2 differential payment based on costs, acuity of residents served, geographic cost factors, and quality and other
3 incentives.

4 (2) In setting medicaid reimbursement rates for assisted living facilities, the department shall
5 consider:

6 (a) the actual costs of providing services, including costs associated with quality and safety
7 standards;

8 (b) the acuity of the residents served in the facility;

9 (c) inflation; and

10 (d) the need to provide access to assisted living services for persons enrolled in the medicaid
11 program.

12

13 **NEW SECTION. Section 5. Inflationary adjustments for nursing homes.** (1) ~~For~~ Beginning in the
14 fiscal year beginning July 1, 2025, medicaid reimbursement rates paid for nursing home services must be
15 increased annually, at a minimum, by an inflation factor equal to the health care cost review skilled nursing
16 facility total market basket index published by IHS global insight, or a comparable index if the IHS global insight
17 index is no longer published, but in no case may the medicaid reimbursement rate increase under this section
18 exceed 3%.

19 (2) For the fiscal year beginning July 1, 2027, and every 4 years thereafter, the department shall
20 conduct a comprehensive analysis of the cost of providing nursing home services and determine whether
21 rebasing the rates is necessary. The department shall report to the children, families, health, and human
22 services interim committee and the legislature in accordance with 5-11-210 on the results of the analysis.

23

24 **NEW SECTION. Section 6. Use of nursing home appropriations.** (1) (a) The department may use
25 money appropriated to meet the projected medicaid nursing home caseloads only for reimbursements to
26 nursing homes.

27 (b) If the actual caseload in a fiscal year is less than the projected caseload, the appropriation may
28 be used to increase rates to close the gap between the weighted average medicaid rate paid to nursing homes

1 and the actual weighted average costs identified in facility cost reports, indexed forward for inflation.

2 (c) If no gap exists between the rate paid and identified costs, the appropriation may be used for
3 quality incentives, workforce enhancements, or enhancements and incentives designed to stabilize access to
4 and improve the quality of nursing home services.

5 (2) Unencumbered funds appropriated to a department division for nursing home services may not
6 be transferred to another program within the division or to another department division. The unencumbered
7 money must revert to the fund from which it was appropriated.

8 (3) The department shall report annually to the legislative finance committee in accordance with 5-
9 11-210 on the status of appropriations for nursing home services.

10
11 **NEW SECTION. Section 7. Inflationary adjustments for assisted living services.** (1) ~~For~~
12 Beginning in the fiscal year beginning July 1, 2025, the department shall increase rates paid for assisted living
13 facility services annually, at a minimum, by an inflation factor equal to the consumer price index, U.S. city
14 average, all urban consumers, for all items, as published by the bureau of labor statistics of the United States
15 department of labor, but in no case may the rate increase under this section exceed 3%.

16 (2) For the fiscal year beginning July 1, 2027, and every 4 years thereafter, the department shall
17 conduct a comprehensive analysis of the cost of providing assisted living facility services and determine
18 whether rebasing the rates is necessary. The department shall report to the children, families, health, and
19 human services interim committee and the legislature in accordance with 5-11-210 on the results of the
20 analysis.

21
22 **NEW SECTION. Section 8. ~~Calculation of room and board costs for assisted~~ Assisted living**
23 **facility services -- personal needs allowance -- calculation of room and board costs.** (1) The department
24 shall, at a minimum, annually adjust the amount that persons enrolled in the Montana medicaid program must
25 pay for room and board when receiving assisted living facility services.

26 (2) Persons eligible for assisted living facility services are allowed a personal needs allowance.
27 The allowance must be set at \$100 a month on July 1, 2023, and increased on January 1 of each subsequent
28 calendar year by the same percentage as the annual cost-of-living adjustment made to social security benefits

1 pursuant to 42 U.S.C. 415.

2 ~~(2)(3)~~ The room and board payment for a person who is categorically eligible for the program must
3 equal the person's monthly supplemental security income payment minus ~~a \$100 allowance to provide personal~~
4 ~~needs funds~~ the personal needs allowance.

5 ~~(3)(4)~~ (a) The room and board payment for a person who qualifies for the program pursuant to 53-6-
6 131(1)(e)(ii)(A) must equal the person's countable gross income, minus:

7 (i) the amount of money the person must spend to qualify for medicaid; and

8 (ii) ~~\$100 to provide the~~ personal needs funds allowance.

9 (b) After an initial adjustment made pursuant to subsection (3)(a), the department shall adjust the
10 room and board payments when the amount a person must spend to qualify for medicaid has been increased
11 or decreased to maintain the personal needs funds of \$100 allowance.

12 ~~(4)(5)~~ For the fiscal year beginning July 1, 2023, the department shall adjust the room and board
13 payment levels as provided in this section subsections (3) and (4), as appropriate, on July 1, 2023, and on
14 January 1, 2024.

15

16 **Section 9.** Section 53-6-113, MCA, is amended to read:

17 **"53-6-113. Department to adopt rules.** (1) The department shall adopt appropriate rules necessary
18 for the administration of the Montana medicaid program as provided for in this part and that may be required by
19 federal laws and regulations governing state participation in medicaid under Title XIX of the Social Security Act,
20 42 U.S.C. 1396, et seq., as amended.

21 (2) The department shall adopt rules that are necessary to further define for the purposes of this
22 part the services provided under 53-6-101 and to provide that services being used are medically necessary and
23 that the services are the most efficient and cost-effective available. The rules may establish the amount, scope,
24 and duration of services provided under the Montana medicaid program, including the items and components
25 constituting the services.

26 (3) (a) The department shall establish by rule the rates for reimbursement of services provided
27 under this part. The department may in its discretion set rates of reimbursement that it determines necessary
28 for the purposes of the program. In establishing rates of reimbursement, the department may consider but is not