

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 664 - HB 1317

April 16, 2019

SUMMARY OF ORIGINAL BILL: Authorizes any existing licensed and operating nursing home to relocate 62 or fewer of its licensed beds to a new, separately licensed nursing home, if certain conditions are met.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – Not Significant

Increase Federal Expenditures – Not Significant

Other Fiscal Impact – The Division of TennCare could experience an increase in expenditures. The exact amount and timing of any increase is unknown; however, the annualized increase in expenditures resulting from the increase in Medicaid beds is estimated to be \$1,039,200 in state funds and \$1,962,000 in federal funds.

SUMMARY OF AMENDMENT (008408): Adds language to the original bill that states any beds relocated to a new location must initially have the same Medicaid certification status that the original, existing nursing home relocating its beds maintains when the certificate of need is granted allowing the movement of beds.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- The proposed legislation adds a new section that authorizes a 40-year old nursing home with 200 to 225 beds located on a five acre or less campus to apply for a certificate of need (CON) from the Health Services and Development Agency (HSDA) to relocate 62 or fewer beds to a newly-licensed facility.
- According to the Department of Health (DOH) and HSDA, there is one nursing home that will meet the criteria of the legislation to relocate beds.

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- A certificate of need would have to be obtained prior to the relocation of any licensed beds. Application fees from the certificate of need process will be collected to cover the cost of the review; therefore, the net impact to HSDA is not significant.
- The DOH can review the application in conjunction with the HSDA, and if approved, can also license, certify and inspect the nursing home utilizing existing resources without an increased appropriation or reduced reversion.
- The relocated beds will not result in an increase in the number of beds that are reimbursed through Medicaid; therefore, any fiscal impact is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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