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in a uniform fashion based on the Medicaid resident days for each facility. What if, say, the Beatrice Home is at cost, under Medicaid guidelines they can't get extra money, what would happen to the remainder? What I'm trying to say is, you're taxing both the state home and Mosaic.

SENATOR BYARS: Correct.

SENATOR BOURNE: And isn't there a formula under the Medicaid guidelines that talks about cost or being at cost, and if Beatrice is at cost, we can't increase the reimbursement rate to Beatrice?

SENATOR BYARS: No, under this formula that's not the case, as I understand it, Senator. All of this has been worked through the Department of Health and Human Services and the Medicaid Department and they are very comfortable with the language that we have here and their being able to work with this without violating any type of formula that's in place at this time.

SENATOR BOURNE: Okay. My understanding is that the BSDC is at cost and cannot receive any extra payments under the federal Medicaid guidelines. And so if that was the case, then the private IC. or ICF/MRs would be increased by about 3...\$3.3 million because the state can't increase the contribution to Beatrice given they're at cost.

SENATOR BYARS: No, it's specifically spelled out that the...we wouldn't have access to those additional funds...

SENATOR CUDABACK: One minute.

SENATOR BYARS: ...if BSDC was not approved by CMS, Senator. So the approval would at that point just be for the not-for-profit ICFs. So those other dollars would not be available.

SENATOR BOURNE: Okay. Senator Byars, I'm not really understanding this, but what I think is happening is we're going to assess a tax both on Mosaic, a 6 percent bed tax, and on the Beatrice Home. That money goes into a fund and it's going to somehow enhance federal contribution and this is all appropriate