

1 **SSB 6062** - H AMD TO H APP COMM AMD (H-2996.1/97) **431 WITHDRAWN**

2 By Representative Dyer

**3-31-97**

3 On page 34, after line 28, insert "(d) For the purpose of forecasting the  
4 total costs of the case mix shadow rates and the indirect care rates, as described in parts (b) and  
5 (c) of this subsection, for the next two fiscal years the department shall assume: the base costs  
6 for both direct and indirect costs shall be recalculated on a biennial basis, with the initial July  
7 1, 1998 rates based on calendar year 1997 desk reviewed reported allowable facility costs;  
8 payments shall be prospective with no settlement; the current reimbursement system for payment  
9 of the capital component of the rate shall be used; and the health care financing administration  
10 nursing home input price index, excluding capital costs, taken from the previous calendar year  
11 shall be used to forecast and set initial rates and shall be used to forecast and set the second year  
12 rates of each two-year cycle.-

**EFFECT:** Requires nursing home rates modeled during FY 1998 to be based on rebased facility actual costs, the current method for reimbursing capital costs, and an inflation factor which shall be the health care financing administration nursing home input price index, less capital costs.

**FISCAL IMPACT:** None.