

SB 5827 - H AMD TO BRADDOCK AMD (5827 AMH BRAD H2968.1) **624 ADOPTED**
4-19-91

By Representatives Day and Moyer

On page 7, line 21 of the amendment, after "July 17, 1984,"
insert "and before July 1, 1993,"

1 **SB 5827** - H AMD TO BRADDOCK AMD (5827 AMH BRAD H2968.1)

2 By Representative Day

3 Beginning on page 13, line 3 of the amendment, after "July 17,

4 1984," insert "and before July 1, 1993,"

5 **SB 5827** - H AMD TO BRADDOCK AMD (5827 AMH BRAD H2968.1)

6 By Representative Day

7 On page 15, line 28 of the amendment, after "December 31,

8 1984," insert "and before July 1, 1993,"

9 **SB 5827** - H AMD TO BRADDOCK AMD (5827 AMH BRAD H2968.1)

10 By Representative Day

11 Beginning on page 18, after line 2 of the amendment, insert
12 the following

13 "(c) The provisions of (a) and (b) of this subsection shall
14 not apply to an arm's-length transaction that occurs on or after
15 July 1, 1993. The valuation of capital assets, for the purposes of

1 determining payment rates for nursing facilities, will not be
2 increased (as measured from the date of acquisition by the seller
3 to the date of the change of ownership) solely as a result of a
4 change of ownership, by more than the lesser of:

5 (i) one-half of the percentage increases (as measured over the
6 same period of time or, if necessary, as extrapolated
7 retrospectively by the secretary) in the dodge construction index
8 systems costs for nursing homes, applied to the aggregate with
9 respect to those facilities which have undergone a change of
10 ownership during the fiscal year; or

11 (ii) one-half of the percentage increase (as measured over the
12 same period of time) in the consumer price index for all urban
13 consumers (United States city average)."

14 Renumber the remaining subsections consecutively.

15 **EFFECT AND RATIONALE:** These amendments move the reimbursement
16 system to the federally permissible basis for recognizing increased
17 valuation of capital assets at the beginning of the biennium after
18 next. Currently, our system recognizes no increased valuation of
19 capital assets upon sale of a nursing facility. Over time, this
20 places great pressure on the direct care portion of the
21 reimbursement rate to finance the required costs of maintaining the
22 capital assets. Federal law allows for limited recognition of
23 increased value of capital assets upon sale.