HOUSE BILL 665:
Address Direct Sup. Staffing Crisis/Medicaid.

2021-2022 General Assembly

Committee:	House Health. If favorable, re-refer to Appropriations. If favorable, re-refer to Rules, Calendar, and Operations of the House	**Date:**	June 8, 2021
Introduced by:	Reps. White, Lambeth	**Prepared by:**	Jennifer Hillman Staff Attorney
Analysis of:	First Edition		

OVERVIEW: House Bill 665 would provide funds to increase the Medicaid per member per month capitation rate paid to local management entities/managed care organizations (LME/MCOs) to include amounts sufficient to increase wages paid to direct support personnel working in intermediate care facilities for individuals with intellectual disabilities (ICF/IIDs) to align those wages with the current wages paid to State employees in State-owned developmental centers.

[As introduced, this bill was identical to S610, as introduced by Sens. Burgin, Krawiec, Perry, which is currently in Senate Appropriations/Base Budget.]

BILL ANALYSIS: Section 1(a) would direct the Department of Health and Human Services, Division of Health Benefits (DHB), to increase the capitation rates paid to LME/MCOs in an amount sufficient for ICF/IID providers, including ICF/IID group homes, to increase the wages paid to their direct support personnel to align with the wages paid to State employees in State-owned developmental centers. **Section 2** would direct DHB to establish a baseline methodology for determining the appropriate wages to be paid, utilizing data available from the Office of State Human Resources and taking into account health insurance, retirement benefits, and market-based wage comparisons with State employees working in State-operated developmental centers as well as in private sector businesses that compete to hire the same individuals. **Section 1(a)** also would require any ICF/IID provider that receives an increase in funding from the LME/MCOs as a result of the capitation rate increase to attest and provide verification that the funds are being used for wage increases.

Section 1(b) would appropriate $17.5 million from the General Fund and $59.4 million in federal funds in fiscal year 2021-2022 and $21.8 million from the General Fund and $55.6 million in federal funds in fiscal year 2022-2023 to be used for the LME/MCO capitation rate increase. This section would also require DHB to maximize the ICF/IID assessment established in Section 10.8 of the 2004 Budget (S.L. 2004-124) and utilize the proceeds for the LME/MCO capitation rate increase.

Section 1(c) would recommend that DHB set LME/MCO capitation rates in the future taking into account cost-of-living adjustments made for State employees of State-owned developmental centers.

Section 3 would require DHB to sustain rate increases during an entire subsequent rate cycle, if an LME/MCO implements a provider rate increase under the bill at any time other than the beginning of a rate cycle.

Section 4 would direct DHB to seek federal approval of the capitation rate increases prior to their implementation.

EFFECTIVE DATE: Sections 4 and 5 would become effective July 1, 2021. Sections 1 through 3 would become effective upon receipt of the federal approval required in Section 4. If federal approval is not received by June 30, 2023, then the bill would expire on that date.