

AN AMENDMENT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

DATE: May 22, 2013

Offered By: Councilmember Yvette Alexander

Title: B20-199, the "Fiscal Year 2014 Budget Support Act of 2013"

Version: ☐ Introduced
☐ Draft Committee Print
☒ Committee Print
☐ First Reading
☐ Amended First Reading
☐ Engrossed
☐ Enrolled
☐ Unidentified

1. Subtitle E (Page 58) is amended to read as follows:

Sec. 5041. Short title.

This subtitle may be cited as the "Medical Assistance Program Amendment Act of 2013".

Sec. 5042. Section 1(a) of An Act to enable the District of Columbia to receive Federal financial assistance under Title XIX of the Social Security Act for a medical assistance program, and for other purposes, approved December 27, 1967 (81 Stat. 744; D.C. Official Code § 1-307.02 (a)), is amended as follows:

(a) A new paragraph (7) is added to read as follows:

"(7) Review and approval by the Council of the Fiscal Year 2014 Budget and Financial Plan shall constitute the Council review and approval required by paragraph (2) of this subsection of any amendment, modification or waiver of the state plan required to:

“(A) Establish a supplemental payment to rectify historic underpayments to District Medicaid hospitals for outpatient and emergency room services;

“(B) Implement Title II of the Patient Protection and Affordable Care Act approved March 23, 2010 (124 Stat 119; Pub. L. 111-148), to:

- (i) Provide for new Modified Adjusted Gross Income eligibility methodologies;
- (ii) Streamline the application process;
- (iii) Align Medicaid eligibility determinations, renewals and appeals with eligibility determinations and appeals of cost sharing and advanced premium tax credits for the Health Benefit Exchange;
- (iv) Secure enhanced federal medical assistance percentages for newly eligible Medicaid beneficiaries and preventive services including tobacco cessation;
- (v) Provide coverage for former foster care children to age 26;
- (vi) Implement presumptive eligibility by hospitals;
- (vii) Extend the District’s current Section 1115 demonstration for childless adults ages 21 through 64 with incomes between 133% and up to 200% of the federal poverty level to provide stop-gap coverage for these beneficiaries until the District establishes the basic health plan; and
- (viii) Create health homes for chronically ill District residents.

“(C) Implement needed reforms to Medicaid-funded long term care services and supports including:

- (i) The establishment of a single-point of entry system and a standardized, conflict free assessment tool and process;
- (ii) Clarification of eligibility requirements for institutional long-term care services; and

(iii) The creation of new programming including adult day health services pursuant to Title XIX of the Social Security Act to ensure that District residents may be served in the most integrated setting appropriate to their needs.

“(D) Implement an annual inflation rate adjustment for nursing facilities.”.

Rationale for amendment:

Four of the District’s State Plan Amendments (SPAs) with Medicaid must be approved by the Council in the BSA subtitles because they are extremely time-sensitive and are otherwise subject to a 30-day period of passive review.

Supplemental Payment for the Provider Tax

In order to rectify historic underpayments to District Medicaid hospitals for outpatient and emergency room services, DHCF is submitting a proposed State Plan Amendment to establish a supplemental payment for these services. The SPA was developed in conjunction with legislation to establish a provider tax that will help fund the payments. The legislation and supplemental payment are reflected in the current draft FY14 BSA and have a proposed effective date of May 1, 2013, and the numbers in both the FY14 (as proposed by the Committee) and supplemental FY13 budget. In order to meet the May 1 effective date, the SPA must be submitted to CMS no later than June 30, 2013. Waiver of the 30 day Council review is needed to ensure the timely submission of the SPA to CMS.

Affordable Care Act Conforming Amendments

DHCF is working to implement unprecedented changes in the District’s Medicaid program that are mandated by the Patient Protection and Affordable Care Act. These changes must be effective October 1, 2013 to coincide with the beginning of the open enrollment period for the District’s Health Benefits Exchange. Among other tasks, DHCF must rewrite portions of Section 1 (relating to administration) and most of Section 2 (relating to eligibility) of the State Plan and must draft and submit three waivers. Due to truncated timetable and the magnitude and complexity of the mandated changes, authorizing language in the BSA is needed to ensure the District’s full compliance with requirements of the Medicaid program as established in the Patient Protection and Affordable Care Act of 2010. The failure to implement the required changes established under the ACA could jeopardize Medicaid benefits for 153,000 beneficiaries and result in forfeiture of grants exceeding \$80 million.

Amendments to Adult Day Health Program

Pursuant to directives from the CMS, DHCF must shut down all current day treatment services as quickly as possible. In FY 2012, this program served approximately 1900 residents at a cost of approximately \$26.4 million. To continue similar services for those in need, we must submit a SPA establishing a new adult day health program under Section 1915(i) of the Social Security Act. Due to truncated timetable and the magnitude and complexity of the mandated changes, authorizing language in the BSA is needed to

ensure the District's full compliance with requirements of the Medicaid program as established under Title XIX of the Social Security Act. The failure to adhere to the Federal timelines could result in significant financial penalties for the District and delay payment to providers. Funds for this program have been included in the FY14 budget proposed by the Committee on Health.

Amendments to Nursing Home Inflation Rate

SPA necessary to reflect new reimbursement rates. Already accounted for in the FY14 budget.

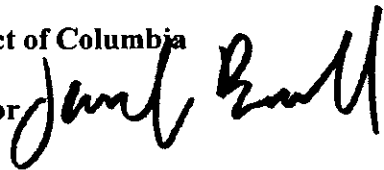
COUNCIL OF THE DISTRICT OF COLUMBIA
Office of the Budget Director



Jennifer Budoff
Budget Director

FISCAL IMPACT STATEMENT

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jennifer Budoff - Budget Director 

DATE: May 22, 2013

SHORT TITLE: B20-199, The "Fiscal Year 2014 Budget Support Act of 2013"

TYPE: Amendment

REQUESTED BY: Councilmember Yvette Alexander

Conclusion

This amendment will not have an adverse impact on the District's budget and financial plan because there is no cost associated with the amendment.

Background

This amendment would amend B20-199, The "Fiscal Year 2014 Budget Support Act of 2013" to include the "Medical Assistance Program Amendment Act of 2013". The Medical Assistance Program Amendment Act would enable the District of Columbia to receive Federal financial assistance under Title XIX of the Social Security Act for a medical assistance program, and for other purposes, as approved on December 27, 1967 (81 Stat. 744; D.C. Official Code § 1-307.02 (a)).

Specifically, this amendment would enable DHCF to 1) establish supplemental payments to District Medicaid hospitals through a provider tax to rectify underpayments for outpatient and emergency room services; 2) implement Title II of the Patient Protection and Affordable Care Act approved March 23, 2010 (124 Stat 119; Pub. L. 111-148); 3) implement reforms to Medicaid-funded long term care services and supports, including a new adult day health program under Title XIX of the Social Security Act; and 4) reflect new reimbursement rates for nursing facilities. As noted by the Department's Agency Fiscal Officer, any and all costs associated with these changes have been included the FY14 budget proposed by the Committee on Health.

Analysis of Impact on Spending

This amendment will not adversely impact spending.

Analysis of Impact on Revenue

This amendment will not adversely impact revenue.