



Nursing Home Funding Update

Long Term Care Task Force

September 25, 2023

2023 Legislative Session



\$49 million infused into nursing home rates



Funding allowed rates to be set at 100% of the targeted rate



25% average projected rate increase across facilities



Updated methodology to allow sustainable path forward

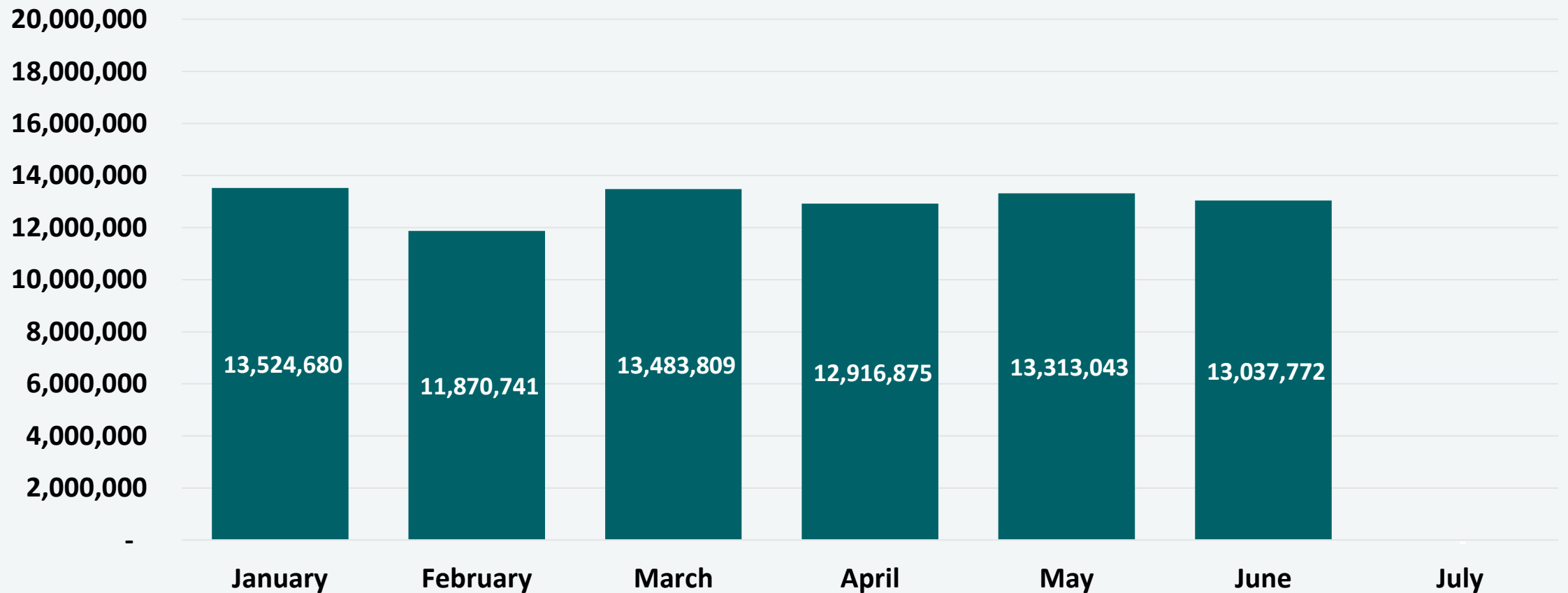
Nursing Home Methodology Changes

- ✓ Rebase using 2021 Costs + Inflationary Increases
- ✓ Implement Patient-Driven Payment Model
- ✓ Remove Occupancy Rule from Direct Care
- ✓ Adjust Overall Rate Increase Limit
- ✓ Use Nursing Facility Market Basket Instead of Consumer Price Index

State	Rate Effective Date	Average Rate	High Rate	Low Rate	Average Inflated to 7/1/23
North Dakota	07/01/2022	\$360.14	\$498.50	\$275.62	\$369.97
South Dakota (New)	07/01/2023	\$259.07	\$337.17	\$171.22	\$259.07
Arkansas	07/01/2021	\$235.26	\$460.00	\$152.94	\$250.07
Nebraska	07/01/2021	\$234.86	\$290.89	\$169.55	\$249.65
Kansas	07/01/2022	\$235.35	\$356.91	\$108.03	\$241.77
Iowa	07/01/2022	\$213.62	\$370.58	\$140.58	\$219.45
Montana	07/01/2022	\$211.84	\$214.98	\$208.71	\$217.62
South Dakota (Old)	07/01/2022	\$206.74	\$276.36	\$147.73	\$212.38
Wyoming	07/01/2022	\$197.24	\$225.78	\$169.38	\$197.24
Oklahoma	07/01/2021	\$183.61	\$224.05	\$162.00	\$195.17
Missouri	07/01/2021	\$173.12	\$351.40	\$154.58	\$184.02

Nursing Home Reimbursements

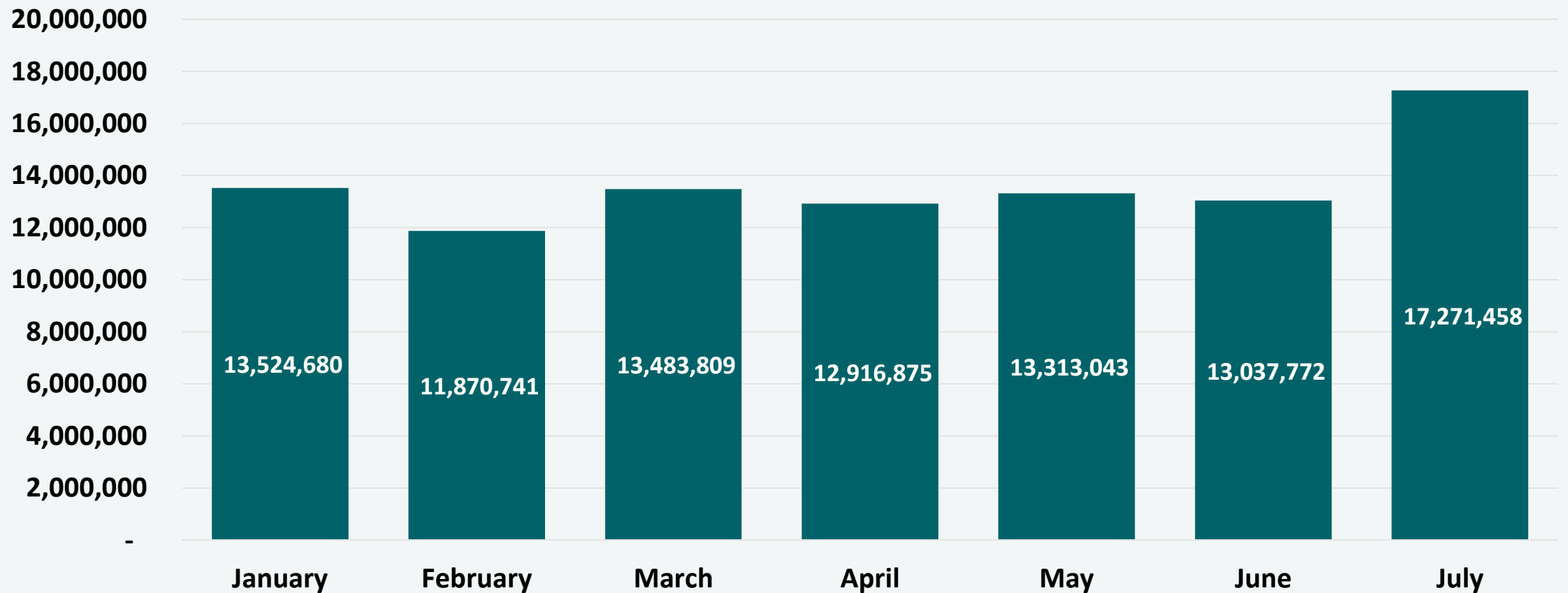
Payment by Service Month



Figures will change, as providers have up to six months to bill for services.

Nursing Home Reimbursements

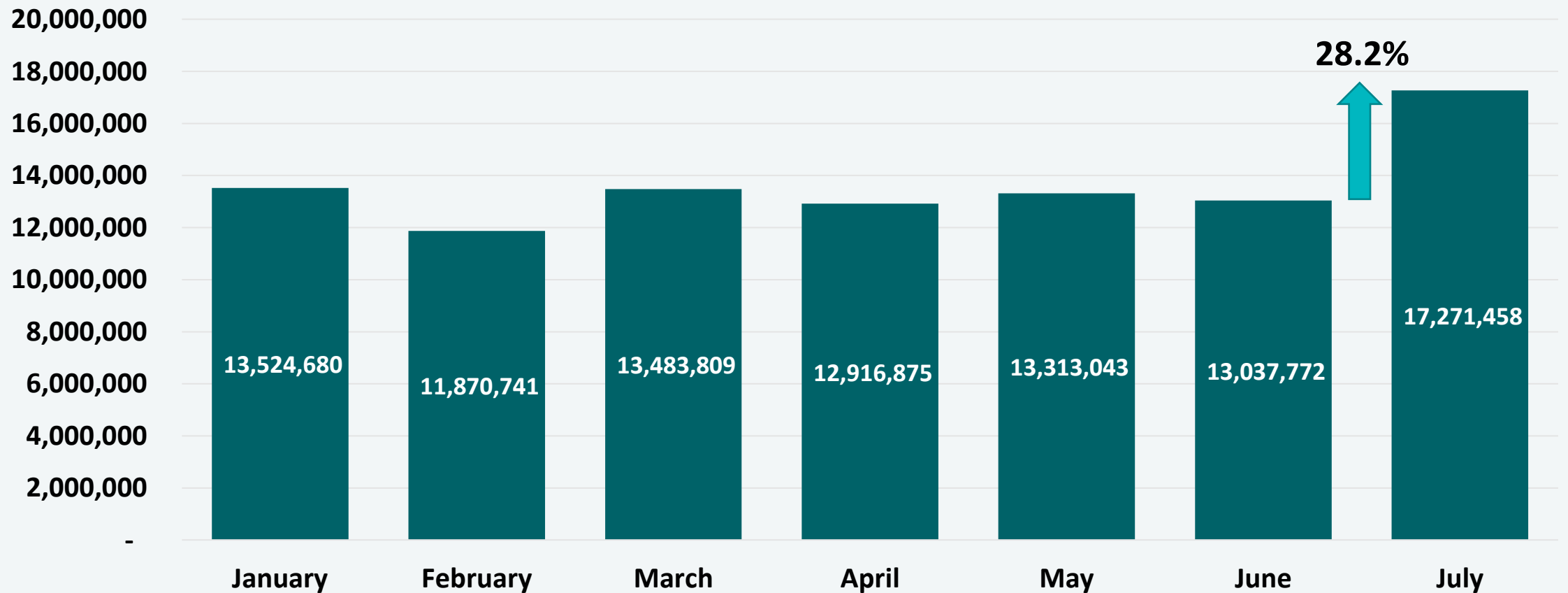
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Nursing Home Reimbursements

Payment by Service Month



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Provider Reimbursement Drivers and Findings

Timing of Billings

- Payments to nursing homes will likely increase, as providers have up to six months to bill for services
- \$500,000 to \$800,000 estimated impact

Census Levels at Facility

- Bed days are continually being monitored
- July bed days are 8% down from projected

Case-Mix Data

- Estimates based on case-mix data of 6/30/2022
- Changes in client acuity will impact provider billings

Financial Impact to Providers

- 25.3% projected increase, but actual is 28.2%
- July-over-June payments ranged from 85% to -24%
- 70% of facilities are experiencing 25% more funding
- Four facilities had negative month-over-month revenues

Next Steps

1

Continue to monitor bed days and monthly expenditures

2

Review and compare new methodology assumptions with more recent data

3

Report findings to the Legislature during the 2024 Legislative Session



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