



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 1052

PRINTERS NO. 2822

PRIME SPONSOR: Gingrich

### COST / (SAVINGS)

FUND	FY 2011/12	FY 2012/13
General Fund	\$0	\$0

**SUMMARY:** Creates an informal review process for long term care nursing facilities to dispute Department of Health survey findings using an independent agent. The effective date is in 120 days.

**ANALYSIS:** Currently, nursing facilities are allowed 10 days to respond to the Department of Health survey deficiencies with a plan of correction and to request an informal dispute resolution review conducted by department personnel. This legislation, the Long-Term Care Nursing Facility Independent Informal Dispute Resolution Act, would require the department to designate Pennsylvania's federally designated Medicare quality improvement organization (QIO) as the independent IDR agent to conduct the independent informal dispute resolution (IDR) appeal process when nursing facilities challenge deficiencies cited during Health's survey and certification inspection and opt for an independent review by Pennsylvania's QIO (at a fee to be established by the QIO and approved by Health) rather than a review conducted by Health (at no charge). The department would be able to designate another state's QIO or an independent review organization under certain circumstances. The department would also be required to obtain necessary federal approval to contract with the independent IDR process; to establish policies/procedures for the IDR process; and to collect/maintain data on the total number of annual review requests, the total number of independent and state informal dispute resolutions completed. Additionally, except as otherwise provided in the legislation, nothing in the legislation is intended to affect common law or statutory liability and responsibility of licensees.

**FISCAL IMPACT:** Since this newly created independent IDR process would not replace or substitute for the existing dispute resolution process conducted by the department but would allow for an option for an independent review process which could be selected and paid for (on a fee-for-service basis) by a long term care facility, it is estimated that enactment of this legislation would have no fiscal impact on Commonwealth funds.

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House Appropriations Committee (R)

**DATE:** December 15, 2011

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*