

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** House Bill 1052

**PRINTER'S NO.** 2822

**AMOUNT**

No Fiscal Impact

**FUND**

General Fund

**DATE INTRODUCED**

March 14, 2011

**PRIME SPONSOR**

Representative Gingrich

**HISTORY OF BILL**

Referred to AGING AND OLDER ADULT SERVICES, March 14, 2011

Reported as amended, Oct. 19, 2011

First consideration, Oct. 19, 2011

Laid on the table, Oct. 19, 2011

Removed from table, Oct. 24, 2011

Second consideration, Oct. 25, 2011

Re-committed to APPROPRIATIONS, Oct. 25, 2011

Re-reported as committed, Oct. 26, 2011

Third consideration and final passage, Oct. 26, 2011 (195-0)

In the Senate

Referred to AGING AND YOUTH, Oct. 31, 2011

Reported as amended, Dec. 6, 2011

First consideration, Dec. 6, 2011

Re-referred to APPROPRIATIONS, Dec. 7, 2011

Re-reported as committed, Dec. 12, 2011

**DESCRIPTION AND PURPOSE OF BILL**

House Bill 1052 establishes the "Long-Term Care Nursing Facility Independent Informal Dispute Resolution Act."

The Act creates an informal review process for long-term care nursing facilities to dispute findings by the Department of Health (DOH) during an inspection through an independent agent. This legislation requires the DOH to do the following:

- Establish an independent informal dispute resolution (IDR) process to determine whether a cited deficiency contained in a statement of deficiencies against a facility should be upheld;
- Contract with either Pennsylvania's Quality Improvement Organization (QIO), or the QIO of another state that has experience in conducting informal dispute resolutions, should Pennsylvania's QIO not seek the contract to be the IDR agent;

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- Obtain all necessary approvals from the Centers for Medicare and Medicaid Services to contract with the independent IDR agent;

The independent IDR agent shall offer facilities that provide the independent IDR process a choice of the following levels of review:

- Desk review;
- Telephone review;
- Expert review.

The independent IDR process may not replace or be a substitute for the existing informal dispute resolution process conducted by the DOH, but shall be an optional process that can be selected by facilities on a fee-for-service basis. The fee for the independent IDR process shall be established by the independent IDR agent, provided that the fees are approved by the DOH.

Independent IDR recommendations made by the independent IDR agent shall be subject to final review and approval by the DOH.

This legislation also requires the DOH to collect and maintain certain data related to the number of independent IDR requests and the results from such reviews.

This act would take effect in 120 days.

## **FISCAL IMPACT:**

Due to the fact that the independent IDR process statutorily created by this legislation does not replace or become a substitute for the existing informal dispute resolution process conducted by the DOH, but merely offers long-term care facilities an optional process on a "fee-for-service" basis, it is determined that there would be no fiscal impact on Commonwealth funds.