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## BILL ANALYSIS



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Senate Bill 348 (as introduced 5-24-19)  
Sponsor: Senator Peter MacGregor  
Committee: Health Policy and Human Services

Date Completed: 9-4-19

**CONTENT**

The bill would amend the Social Welfare Act to specify that if the Department of Health and Human Services issued a new interpretation of existing Medicaid provider policy directly affecting nursing facility Medicaid cost reports, that change in policy would have to have a prospective effective date. A policy could have a retrospective effective date as part of a State plan amendment approval or waiver approval, or if required by State law, Federal law, or judicial ruling.

"Medicaid cost report" means the cost of care reports submitted annually by a nursing facility that is participating in the Medicaid program at a utilization rate on average of at least six Medicaid residents, on Department cost reporting forms. A nursing facility provider with fewer than six Medicaid residents per day must file a "less than complete" cost report and is not subject to audit.

Proposed MCL 400.111n

Legislative Analyst: Tyler VanHuyse

**FISCAL IMPACT**

The bill would bar retrospective Medicaid provider policies that affected nursing facility cost reports unless those policies were required to be retrospective as part of a Federal Medicaid policy approval process or required by State law, Federal law, or judicial ruling. This would lead to potential unrealized retrospective positive and negative fiscal impacts. The nursing facility rate setting process creates an effective time limitation on retrospective policies and there are few significant Medicaid policy changes that are not tied to Federal policy determinations or legal restrictions; therefore, the number and magnitude of these now barred retrospective policy changes would be limited. As such, the bill would have a minor fiscal impact.

Fiscal Analyst: Steve Angelotti

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