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Indiana Health Care Association Unveils 2010 Legislative Agenda

Vows to provide solutions to State shortfalls

Indianapolis, IN – The Indiana Health Care Association (IHCA) announced its agenda for the 2010 General Assembly to state legislators attending its fifth annual legislative luncheon earlier this week.

“IHCA’s legislative agenda for the upcoming session focuses on assisting Indiana in addressing budgetary shortfalls,” said Steve Smith, President of IHCA. “Our members are committed to caring for the most vulnerable population and before looking at cuts to long term care funding the State should consider our solutions.”

The agenda includes maintaining funding for a broad set of long term care issues and initiatives aimed at improving staff retention, increasing the utilization of federal funds, generating additional Indiana general fund revenue, improving the Informal Dispute Resolution (IDR) process, and developing alternative long term care funding sources that will reduce the burden on Medicaid funding.

Quality Assessment Fee (QAF): The U.S. Department of Health and Human Services (HHS) – through the Centers for Medicare and Medicaid Services (CMS) – allow state governments to enhance nursing home reimbursement rates by providing federal matching funds for money collected by a bed tax popular within the nursing home industry.

Civil Monetary Penalty Fund (CMP): State CMPs/fines are imposed by the regulatory agencies, in this case the Indiana State Department of Health (ISDH), that license nursing homes if a nursing home does not comply with regulatory standards. IHCA believes that state CMPs/fines present an additional valuable resource for the State’s fiscally constrained budget.

Closure and Conversion Fund (CCF): Indiana’s Nursing Home Closure and Conversion Fund, funded by residuals of the QAF, is used to ‘rebalance’ the State’s long term care system by reducing levels of institutional capacity and expanding Home and Community Based Service (HBCS) options. Currently the fund contains over \$45 million and IHCA has consistently taken the position that any residual CCF money should be used by FSSA at its discretion to fully fund enhanced nursing home rates. IHCA recommends the State modify the existing CCF policy to allow nursing homes to sell any licensed bed to FSSA in order to improve their calculated occupancy rate.

Informal Dispute Resolution (IDR): The informal dispute resolution process (IDR) is the first level of appeal for nursing homes wishing to contest an adverse finding. Currently, the first level of appeal for nursing homes is ISDH, the same body that conducts the nursing home surveys. Not surprisingly, over 80 percent of all appeals by providers fail. IHCA proposes utilizing a neutral third party to ensure a fair and objective review.

The current care delivery system, staffing, and financial resources are not sustainable. IHCA’s agenda is the first step toward giving long term care providers the confidence and flexibility necessary to move forward in building an integrated set of services to meet the needs of Hoosier seniors while also making significant and immediate contributions to the process of addressing the State’s current fiscal crisis.

About the Indiana Health Care Association (IHCA)

The Indiana Health Care Association is Indiana's largest trade association and advocate representing proprietary, not-for-profit and hospital-based nursing home and assisted living communities, adult foster care and adult day services. IHCA's 264 member facilities care for more than 25,000 of Indiana's geriatric and developmentally disabled citizens, the majority of whom are low-income Medicaid recipients. To learn more about IHCA, visit www.ihca.org.