

**Government of the District of Columbia  
Office of the Chief Financial Officer**

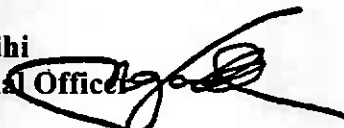


**Natwar M. Gandhi**  
Chief Financial Officer

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2005 MAY 26 AM 11:53  
CHAIRMAN CROPP

**MEMORANDUM**

**TO:** The Honorable Linda W. Cropp  
Chairman, Council of the District of Columbia

**FROM:** Natwar Gandhi  
Chief Financial Officer 

**DATE:** MAY 25 2005

**SUBJECT:** Fiscal Impact Statement: "State Plan Amendment to Implement a Case Mix Nursing Facility Reimbursement System with a Ventilator Services Add-on Rate Approval Resolution of 2005"

**REFERENCE:** Draft – Resolution Number yet to be assigned

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**Conclusion**

Funds are sufficient in the Mayor's and Council's proposed FY 2006 through 2009 budget and financial plan to implement the proposed legislation. Implementation would result in no additional fiscal impact, because no additional staff or resources will be required.

**Background**

The proposed State Plan Amendment (SPA) will authorize the Medicaid program to change nursing facility reimbursement from the current prospective cost based method to a case mix method, providing payments based on patient acuity and actual costs incurred. The proposed amendment will also add a per diem rate for ventilator services in payments to nursing facilities, increasing the number of District facilities able to provide these services locally instead of referring patients out of state

**Financial Impact**

Funds are sufficient in the Mayor's and Council's proposed FY 2006 through 2009 budget because Medicaid currently pays these care costs, and the funds are already in the agency budget.