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**FISCAL IMPACT STATEMENT**

**LS 6937**

**BILL NUMBER: SB 329**

**NOTE PREPARED: Jan 12, 2010**

**BILL AMENDED:**

**SUBJECT:** Preadmission Screening for Nursing Homes.

**FIRST AUTHOR:** Sen. Deig

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill specifies that a screening team's identification of an applicant for nursing facility services as mentally retarded or mentally ill must be based on written medical documentation that reasonably shows that the individual meets each component of the federal definitions of the terms.

It also states that placement in a nursing facility may not be denied if the applicant has been diagnosed with spina bifida and the applicant's health provider has provided written documentation that the applicant needs the level of care provided in a nursing facility.

**Effective Date:** July 1, 2010.

**Explanation of State Expenditures:** This bill would specify that an individual who is identified as mentally ill or mentally retarded in a Preadmission Screen (PAS) must meet each component of the federal definition of mental illness or mental retardation before being required to be assessed for the Preadmission Screening and Resident Review (PASRR). This requirement appears to specify a more rigorous assessment than may be currently performed under the Level I PAS screen, which is the method of identifying individuals with known or suspected mental illness, mental retardation, or related conditions. The possible fiscal impact of this requirement on the PAS process is not known at this time.

The bill also provides that placement in a nursing facility may not be denied if the applicant has been diagnosed with spina bifida and the applicant's physician has provided written documentation that the applicant needs the nursing facility level of care. The bill further specifies that the applicant cannot be denied a placement in a Medicaid-certified nursing facility.

Preadmission Screening Background: All applicants to Medicaid-certified nursing facilities *regardless of payer source* receive a Level 1 PAS screen to identify possible MI or MR. These screens generally consist of forms completed by hospital discharge planners, community health nurses, or other screening teams as defined by the state.

PASRR protects individuals with serious mental illness or mental retardation from inappropriate placement in nursing facilities. Federal law requires that a Medicaid-certified nursing facility may not admit an applicant with serious mental illness (MI), mental retardation (MR), or a related condition unless the individual is properly screened, thoroughly evaluated, found appropriate for nursing facility placement, and will receive all the specialized services necessary to meet the individual's unique needs. Nursing facility residents with MR or MI must also have a Resident Review when there is a significant change in their physical or mental condition. The Centers for Medicare and Medicaid Services (CMS) requires states to specify the PASRR program in their State Medicaid Plans as a condition of state plan approval.

Individuals with known or suspected MI or MR must be evaluated by a Level II PASRR screen. Level II PASRR evaluation and determinations are to confirm whether the applicant has MI or MR for PASRR purposes, to assess the applicant's need for nursing facility services, and to determine if the applicant requires specialized services. The state mental health or mental retardation authority has the responsibility for both the evaluation and determination functions for MI and MR, respectively, although the evaluations are required to be conducted by independent entities.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** FSSA.

**Local Agencies Affected:**

**Information Sources:** CMS web page; PASRR Overview.

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