



2018 OCT 12 PM 3:54  
OFFICE OF THE  
SECRETARY

MURIEL BOWSER  
MAYOR

OCT 12 2018

The Honorable Phil Mendelson  
Chairman  
Council of the District of Columbia  
1350 Pennsylvania Avenue, NW  
Suite 504  
Washington, DC 20004

Dear Chairman Mendelson:

Enclosed for consideration and approval by the Council of the District of Columbia ("Council"), is the "Nursing Facility Quality of Care Fund Amendment Act of 2018". The purpose of this bill is to amend the Nursing Facility Quality of Care Fund to allow for an updated reimbursement methodology that considers the acuity of nursing facility residents and increases the promotion of care, safety, and health of nursing facility residents.

As the health industry continues to move towards value-based purchasing, changes to the reimbursement of nursing facilities have followed. This bill redefines the methodology on which reimbursement is made to nursing facilities so that focus is placed on the acuity and special needs of residents, as opposed to the structure of the facility. Additionally, it allows for performance payments that reward District nursing facilities that demonstrate improvements or high levels of performance.

This legislation modernizes and unifies the changes being made not only for nursing facilities, but in the field of healthcare. Approval of this legislation allows the District to use its dollars in a way that is more advantageous to its financial plan and its residents.


I look forward to a favorable consideration of this legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Muriel Bowser", written over a horizontal line.

Muriel Bowser

Enclosure

  
Chairman Phil Mendelson  
at the Request of the Mayor

A BILL

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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To amend the Nursing Facility Quality of Care Fund to update the reimbursement methodology to consider acuity of nursing facility residents and increase promotion of care, safety, and health of nursing facility residents.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Nursing Facility Quality of Care Fund Amendment Act of 2018".

Sec. 2. Section 5202 of the "Fiscal Year 2005 Budget Support Act of 2004" effective December 7, 2004 (D.C. Law 15-205; D.C. Official Code § 47-1261), is amended as follows:

(a) Subsection (c) (D.C. Official Code § 47-1261) is amended as follows:

(1) Paragraph (1) is amended to read as follows:

"(1) Case mix reimbursement methodology" means a prospective Medicaid payment rate system for nursing facilities that includes a resident classification system based on resident acuity and needs."

(2) Paragraph (8) is amended as follows:

(A) Strike the phrase ", to the extent that amounts in the Fund remain,"

Sec. 3. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

41           Sec. 4. Effective date.

42           This act shall take effect following approval by the Mayor (or in the event of veto by the  
43 Mayor, action by the Council to override the veto), a 30-day period of congressional review as  
44 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24,  
45 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia  
46 Register.

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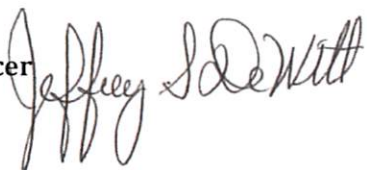
Government of the District of Columbia  
Office of the Chief Financial Officer



Jeffrey S. DeWitt  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia

**FROM:** Jeffrey S. DeWitt  
Chief Financial Officer 

**DATE:** July 31, 2018

**SUBJECT:** Fiscal Impact Statement – Nursing Facility Quality of Care Fund  
Amendment Act of 2018

**REFERENCE:** Draft Introduction as shared with the Office of Revenue Analysis on  
July 31, 2018

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**Conclusion**

Funds are sufficient in fiscal year 2018 and in the fiscal year 2019 through 2022 budget and financial plan to implement the bill.

**Background**

The bill updates<sup>1</sup> the reimbursement methodology for the Nursing Facility Quality of Care Fund which is administered by the Department of Health Care Finance (DHCF). The bill requires DHCF to consider acuity of nursing facility residents and promote the care, safety, and health of nursing facility residents when making payments to nursing homes for care.

**Financial Plan Impact**

Funds are sufficient in fiscal year 2018 and in the fiscal year 2019 through 2022 budget and financial plan to implement the bill. DHCF currently uses the Quality of Care Fund to pay nursing homes for quality of care improvements and to reimburse the nursing homes for care provided to Medicaid patients. The bill updates the D.C. Code to reflect current practice.

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<sup>1</sup> By amending the Fiscal Year 2005 Budget Support Act of 2004, effective December 7, 2004 (D.C. Law 15-205; D.C. Official Code § 47-1261).

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE ATTORNEY GENERAL**



**ATTORNEY GENERAL  
KARL A. RACINE**

**Legal Counsel Division**

**MEMORANDUM**

**TO: Alana Intrieri  
Executive Director  
Office of Policy and Legislative**

**FROM: Janet M. Robins  
Deputy Attorney General  
Legal Counsel Division**


**DATE: January 10, 2018**

**SUBJECT: Legal Sufficiency Review of the "Nursing Facility Quality of Care Fund  
Amendment Act of 2018"  
(AE-18-012)**

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**This is to Certify that** this Office has reviewed the above-referenced legislation and that we have found it to be legally sufficient.

**If you have any questions in this regard, please do not hesitate to call me at 724-5524.**

  
**Janet M. Robins**