



March 9, 2024

SUMMARY OF BILL: Extends the annual nursing home assessment for FY24-25.

FISCAL IMPACT:

**Increase State Revenue – \$168,641,500/FY24-25/
Nursing Home Assessment Trust Fund**

**Increase State Expenditures – \$168,641,500/FY24-25/
Nursing Home Assessment Trust Fund**

**Increase Federal Expenditures – \$312,202,100/FY24-25/
Nursing Home Assessment Trust Fund**

The Governor’s proposed budget for FY24-25 includes \$163,173,500 in state funds and \$302,079,400 in federal funds for the Nursing Home Assessment on page A-34.

Assumptions:

- Based on information provided by the Division of TennCare (Division), the assessment on nursing homes will result in an increase in state revenue to the Nursing Home Assessment Trust Fund of \$168,641,473 in FY24-25.
- Medicaid expenditures receive matching funds at a rate of 64.928 percent federal funds to 35.072 percent state funds.
- The \$168,641,473 will be expended at a state rate of approximately 35.072 percent, prompting a one-time increase in federal expenditures at a federal match rate of approximately 64.982 percent, equating to \$312,202,143 [(\$168,641,473 / 35.072%) x 64.928%].
- These funds will be placed in the Nursing Home Assessment Trust Fund instead of the General Fund, but will continue to be spent to reimburse nursing homes.
- The total increase to the Nursing Home Assessment Trust Fund in FY24-25 is approximately \$480,843,616 (\$168,641,473 + \$312,202,143).

IMPACT TO COMMERCE:

Increase Business Revenue – \$480,843,600/FY24-25

Increase Business Expenditures – \$480,843,600/FY24-25

Assumptions:

- Nursing home providers will incur a one-time increase in revenue, and a corresponding increase in expenditures in FY24-25 to cover costs of services provided.
- The proposed legislation will not increase the number of nursing home providers. Therefore, any impact to jobs in Tennessee is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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