

January 28, 2016

Senator Kathy Campbell
District #25
Room 1402, Capitol
PO Box 94604
Lincoln, NE 68509-4604

RE: LB 708

Dear Senator Campbell and members of the Health and Human Services Committee:

LB 708, introduced by Senator Kate Bolz, creates a memory care endorsement for health care facilities and health care services that provide care for persons with cognitive impairments or dementia, requires a rate study for such patients, and prohibits Alzheimer's special care units without an endorsement from advertising otherwise. While the Department of Health and Human Services (DHHS) takes no policy position on this bill at this time, DHHS takes this opportunity to share with the committee the following technical concerns.

The bill requires DHHS to study the rates paid for care for persons with cognitive impairment or dementia, and to make findings regarding cost savings for health care facilities and services with a memory care endorsement, and purports to offer this endorsement to two broadly-defined groups of providers: "health care facilities", which include not only intermediate care facilities and nursing homes but also ambulatory surgical centers, pharmacies, substance abuse treatment centers, and various other types of providers (Neb. Rev. Stat. 71-413), and "health care services", which include adult day services, home health, hospice, respite care, and children's day health (Neb. Rev. Stat. 71-415).

Given the broad scope of provider types eligible for the memory care designation under the bill, the required rate study is premature for some provider types and cannot be completed for others. Some provider types identified as eligible for the endorsement may be ineligible for home and community-based services (HCBS) reimbursement under the final rule issued by the federal Centers for Medicare and Medicaid Services (CMS) (See 42 CFR Part 430, 431 et al.). DHHS would be required on a case-by-case basis to seek CMS guidance regarding reimbursement eligibility.

Sincerely,



Jenifer Roberts-Johnson, Deputy Director
Division of Public Health
Department of Health and Human Services