

CASE MIX REIMBURSEMENT FOR NURSING FACILITIES

(FY2008 Appropriation Bill - Public Act 123 of 2007)

August 1, 2008

Sec. 1695. (1) The department shall evaluate the impact of implementing a case mix reimbursement system for nursing facilities. The department shall consult with representatives from the department, the health care association of Michigan, the Michigan county medical care facilities council, and the Michigan association of homes and services for the aging.

(2) The department shall provide a progress report to the senate and house appropriations subcommittees on community health and to the senate and house fiscal agencies by August 1, 2008.

*Michigan Department
of Community Health*



Jennifer M. Granholm, Governor
Janet Olszewski, Director

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The Department of Community Health formed a workgroup consisting of representatives from the Health Care Association of Michigan, the Michigan County Medical Care Facilities Council, the Aging Services of Michigan, the Long-Term Care Ombudsman office, long term care consumer advocates, and consumers. Several meetings were held regarding the implementation of a case mix reimbursement system for nursing facilities in the State of Michigan. Background information and support was provided to the workgroup by Brant Fries, PhD, from the University of Michigan, Institute of Gerontology.

There was extensive discussion regarding the methodology, components and impact of implementing a case mix reimbursement system. It was the consensus of the workgroup that with the multiple factors affecting the nursing facility industry at this time (including the implementation of an updated federal assessment system, changes in Medicare reimbursement and the economic climate of the State of Michigan) that estimating the impact of implementing a case mix reimbursement system would be difficult. The Department of Community Health will continue to research and develop potential case mix reimbursement methodologies for future discussions.