

**California Department of Health Care Services
May Revision Proposed Trailer Bill**

Expand Revenue Base for Skilled Nursing Facility Rates (AB 1629 QAF)

Section 1324.20 of the Health and Safety Code is amended to read:

(a) through (b) **No Change.**

(c) (1) "Net revenue" means gross resident revenue for routine nursing services and ancillary services provided to all residents by a skilled nursing facility, less Medicare revenue for routine and ancillary services including Medicare revenue for services provided to residents covered under a Medicare managed care plan, less payer discounts and applicable contractual allowances as permitted under federal law and regulation.

(2) Notwithstanding paragraph (1), for rate years 2009-10 and 2010-11, "net revenue" means gross resident revenue for routine nursing services and ancillary services provided to all residents by a skilled nursing facility including Medicare revenue for routine and ancillary services and Medicare revenue for services provided to residents covered under a Medicare managed care plan, less payer discounts and applicable contractual allowances as permitted under federal law and regulation. To effectuate this paragraph, the Department shall request federal approval pursuant to Section 1324.27.

(2) (3)"Net revenue" does not mean charitable contributions and bad debt.

(d) through (e) **No Change.**