

# RESOLUTION - SUPERMAJORITY

## Resolution Authorizing Utilization of Fund Balance and a Budget Line Item Transfer for Valley Hi Nursing Home to Account for the Bed Tax Increase Effective July 2022 (61)

**WHEREAS**, Valley Hi Nursing Home participates in the Illinois Medicaid program and is required to pay a bed tax for all resident occupied beds as part of the requirements of participation; and

**WHEREAS**, On July 1, 2022, Illinois made significant changes to the Medicaid reimbursement system for long-term care which included a large increase in the facility bed tax, going from \$6.07 per bed to \$22.40 per bed; and

**WHEREAS**, the bed tax rate increase has caused Valley Hi to be short in our FY2022 bed tax budget by \$81,491; and

**WHEREAS**, Valley Hi was also notified of a retroactive assessment for the months of April 2022, May 2022, and June 2022; totaling \$82,041 which will be paid in FY2023 (paid in December 2022, March 2023, and June 2023); and

**WHEREAS**, the Valley Hi Administrator is asking for authorization to use Fund Balance Enhancement, in the amount of \$81,491 for FY2022 and an additional \$82,000 for FY2023 to account for the outstanding tax bills and bed tax increase to be transferred into OCA 6190-415100 (Indirect – Bed Registration Fee) within the FY2023 budget; and

**WHEREAS**, the Valley Hi Operating Committee and Finance & Audit Committee have reviewed and approved of said request.

**NOW, THEREFORE BE IT RESOLVED**, by this County Board of McHenry County, Illinois, that it hereby authorizes utilization of the Valley Hi Fund Balance, in the amount of \$81,491 to account for the outstanding tax bill and outstanding tax in FY2022 and \$82,000 for FY2023 to be transferred into OCA 6190-415100 (Indirect – Bed Registration Fee) within the FY2023 budget; and

**BE IT FURTHER RESOLVED**, that the County Clerk is hereby authorized to distribute a certified copy of this Resolution to the Valley Hi Administrator, the County Auditor, the Director of Purchasing, the Chief Financial Officer, and the County Administrator.

**DATED** at Woodstock, Illinois, this 17<sup>th</sup> day of January, A.D., 2023.

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Michael Buehler, Chairman  
McHenry County Board

ATTEST:

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Joseph J. Tirio, County Clerk

## RESOLUTION

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**SUBJECT:** Resolution Authorizing Utilization of Fund Balance and a Budget Line Item Transfer for Valley Hi Nursing Home to Account for the Bed Tax Increase Effective July 2022 (61)

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**Board / Committee Action Requested:**

Valley Hi seeks authorization to utilize the Valley Hi Fund Balance to make an emergency appropriation to the FY2023 budget to account for a bed tax increase in the amount of \$81,491.

**Background and Discussion:**

Valley Hi Nursing Home participates in the Illinois Medicaid program and is required to pay a bed tax for all resident occupied beds as part of the requirements of participation. In July of 2022, Illinois made significant changes to the Medicaid reimbursement system for long-term care which included a large increase in the facility bed tax. This bed tax is used to help support the funding for Medicaid recipients and part of the federal FMAP program, which matches bed tax money collected within IL which is then returned back in the form of an enhanced Medicaid rate.

The bed tax rate increase went from approximately \$18,000 / month to approximately \$40,000 / month. Valley Hi also recently received a retroactive bed tax assessment for April, May, and June of 2022 totaling \$82,041. This bed tax collection will occur over three quarters, 12-2022 (already paid), 3-2023, and 6-2023.

To account for the bed tax increase, the Valley Hi Administrator is asking for utilization of Fund Balance and an emergency appropriation to account for the increase, in the amount of \$81,491 to account for the remaining bed tax in FY2022 and an additional \$82,000 for FY2023 be made to OCA 6190-415100 (Indirect-Bed Registration Fee) in the FY2023 budget.

**Impact on Human Resources:**

None

**Impact on Budget (Revenue; Expenses, Fringe Benefits):**

A one-time emergency appropriation, utilizing fund balance in the amount of \$81,491 in the FY2022 budget and \$82,000 in the FY2023 budget made to OCA 6190-415100 (Indirect-Bed Registration Fee)

**Impact on Capital Expenditures:**

None

**Impact on Physical Space:**

None

**Impact on Other County Departments or Outside Agencies:**

None

**Conformity to Board Ordinances, Policies and Strategic Plan:**

This request is presumed to comply with all applicable policies and ordinances.