

SENATE FILE NO. SF0125

Health care facilities crisis management.

Sponsored by: Senator(s) Scott, Jennings, Landen and Perkins and Representative(s) Brechtel, Gay, Harshman, Harvey, Kroeker, Lockhart, Loucks, Shepperson and Stubson

A BILL

for

1 AN ACT relating to public health and safety; prescribing the
2 governor's authority and duties if a health care facility
3 is determined to be in financial crisis, as specified;
4 prescribing the state's and governor's objectives;
5 providing for transfer of appropriated funds as specified;
6 providing for loans by the state loan and investment board;
7 providing an appropriation; and providing for an effective
8 date.

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10 *Be It Enacted by the Legislature of the State of Wyoming:*

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12 **Section 1.** W.S. 35-2-1001 is created to read:

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14

ARTICLE 10

15

HEALTH CARE FACILITIES CRISIS MANAGEMENT

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2 **35-2-1001. Health care facility crisis; governor's**
3 **action.**

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5 (a) When the governor learns or is advised by the
6 director of the department of health that a facility caring
7 for persons who are recipients of Medicaid or other means
8 tested government programs for the necessary support of the
9 poor is in imminent danger of being unable to meet its
10 current financial obligations and continue its operations,
11 he may, if he believes the clients of the facility may not
12 be able to receive adequate care or the situation may cause
13 a public health emergency:

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15 (i) Insist on local and community support in
16 helping to resolve the crisis;

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18 (ii) Loan state funds to the trustees in
19 bankruptcy for the facility in crisis or the debtor in
20 possession in bankruptcy to either:

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22 (A) Facilitate the orderly liquidation of
23 the facility, ensuring proper care for the facility's
24 clients during the liquidation process;

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(B) Facilitate the reorganization of the facility for its continued operation pursuant to federal bankruptcy law.

(iii) Order Medicaid or other state programs to pay the full cost of any service received from the facility including a reasonable allowance for debt service on any loan from the state or other organization. For Medicaid this payment shall not be in excess of the facility's full cost based on cost reports submitted to the department of health;

(iv) Order Medicaid or other state programs to pay more promptly for recipient's services.

(b) For any loan pursuant to subsection (a) of this section, the governor shall determine the source of appropriated funds to be used. The governor is specifically authorized to use for this purpose the funds in the Medicaid contingency reserve created by Wyoming Session Laws 2010, Ch. 39, section 306 or the health care financing line item of the department of health budget.

1 (c) The objectives of the state and the governor in
2 implementing this section shall be:

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4 (i) To ensure adequate care for all those
5 persons cared for by the facility in crisis and to protect
6 their lives and health;

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8 (ii) To protect the public health from the
9 difficulties caused for other health care systems,
10 facilities and institutions if they suddenly have to care
11 for the individuals who have been cared for by the facility
12 in crisis;

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14 (iii) To ensure the ongoing effective operation
15 of the state's programs for the necessary support of the
16 poor affected by the situation; and

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18 (iv) To protect the financial interests of the
19 state.

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21 **Section 2.** There is appropriated two million dollars
22 (\$2,000,000.00) from the general fund to the Medicaid
23 contingency reserve created by Wyoming Session Laws 2010,
24 Ch. 39, section 306. This appropriation shall be for the

1 period beginning with the effective date of this act and
2 ending June 30, 2012. This appropriation shall only be
3 expended for the purpose of this act and for Medicaid
4 operating costs as provided in this act. Notwithstanding
5 any other provision of law, this appropriation shall not be
6 transferred or expended for any other purpose and any
7 unexpended, unobligated funds remaining from this
8 appropriation shall revert as provided by law on June 30,
9 2012. This appropriation shall not be included in the
10 governor's 2013-2014 standard biennial budget request.

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12 **Section 3.** This act is effective immediately upon
13 completion of all acts necessary for a bill to become law
14 as provided by Article 4, Section 8 of the Wyoming
15 Constitution.

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(END)