

1 State of Arkansas  
2 91st General Assembly  
3 Regular Session, 2017  
4

# A Bill

HOUSE BILL 1016

5 By: Representative Farrer  
6 By: Senator K. Ingram  
7

## For An Act To Be Entitled

9 AN ACT TO CONVERT THE HOSPITAL REIMBURSEMENT SYSTEMS  
10 UNDER THE ARKANSAS MEDICAID PROGRAM TO DIAGNOSIS-  
11 RELATED GROUP METHODOLOGY; AND FOR OTHER PURPOSES.  
12  
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## Subtitle

15 TO CONVERT THE HOSPITAL REIMBURSEMENT  
16 SYSTEMS UNDER THE ARKANSAS MEDICAID  
17 PROGRAM TO DIAGNOSIS-RELATED GROUP  
18 METHODOLOGY.  
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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23 SECTION 1. Arkansas Code Title 20, Chapter 77, Subchapter 1, is  
24 amended to add an additional section to read as follows:

25 20-77-132. Diagnosis-related group methodology for hospitals.

26 (a) As used in this section, "diagnosis-related group methodology"  
27 means a system of classification of diagnoses and procedures based on the  
28 International Classification of Diseases, Tenth Revision, Clinical  
29 Modification, also known as ICD-10-CM, including without limitation:

30 (1) The all-patient refined diagnosis-related groups system; and

31 (2) The enhanced ambulatory procedure grouping system.

32 (b) To the extent possible, the Department of Human Services shall  
33 convert the hospital reimbursement systems under the Arkansas Medicaid  
34 Program to a diagnosis-related group methodology to allow more accurate  
35 classification of patient populations and description of mortality risks and  
36 severity of patient illness.



1           (c)(1) The department shall promulgate rules to implement this  
 2 section.

3           (2) The rules adopted under subdivision (c)(1) of this section  
 4 shall address:

5                   (A) How supplemental payments to hospitals shall be  
 6 considered;

7                   (B) Whether funding for the transition from per diem  
 8 reimbursement to diagnosis-related group methodology shall be provided to  
 9 hospitals; and

10                  (C) Whether certain types of hospital providers shall be  
 11 exempt from the diagnosis-related group methodology.

12           (d)(1) The department, in coordination with the Arkansas Hospital  
 13 Association, shall develop a plan for the conversion of the hospital  
 14 reimbursement systems under the Arkansas Medicaid Program as described in  
 15 subsection (b) of this section.

16           (2) The conversion plan shall:

17                   (A) Include estimates of the impact of the conversion on  
 18 all state and federal funds used for hospital payment, including without  
 19 limitation any impact on critical-access hospitals; and

20                   (B) Be submitted to the Legislative Council for review  
 21 within sixty (60) days of the effective date of this section.

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