

Regular Session, 2010

SENATE BILL NO. 401

BY SENATORS THOMPSON AND NEVERS AND REPRESENTATIVE KATZ

HOSPITALS. Provides relative to rural hospital reimbursement. (8/15/10)

1 AN ACT

2 To enact R.S. 40:1300.144(A)(4), relative to rural hospitals; to provide for rural hospital
3 reimbursement; to provide for the development of payment methods that optimize
4 federal funds to reduce or eliminate small rural hospitals' reliance upon
5 uncompensated care costs funding; to provide for rules and regulations; and to
6 provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 40:1300.144(A)(4) is hereby enacted to read as follows:

9 §1300.144. Medical assistance programs; rural hospital reimbursement

10 A. The department shall adopt rules and regulations in accordance with the
11 Administrative Procedure Act that provide the following:

12 * * *

13 **(4)(a) Effective for services provided on or after July 1, 2010, or as soon**
14 **thereafter as may be permitted by federal law, the department shall develop and**
15 **implement, by emergency rule, a payment methodology which optimizes**
16 **Medicaid inpatient and outpatient payments to rural hospitals. Payments shall**
17 **be developed utilizing available Medicare upper payment limits for inpatient**

1 and outpatient services in accordance with state and federal law. Calculated
 2 payments shall be distributed to qualifying rural hospitals no less than
 3 quarterly, or as authorized by federal law.

4 (b) After federal funds are optimized, the remaining appropriated funds
 5 for rural hospitals may be utilized to develop a state-only funded program to
 6 provide direct funds to qualifying rural hospitals to support access to services
 7 that would not be available otherwise. In the event the amount appropriated for
 8 such state-only funded program is insufficient in any state fiscal year to meet
 9 the total payments required by all rural hospitals to recover payment
 10 reductions, the payments to qualifying rural hospitals under this state-only
 11 funded program may be reduced proportionately.

12 (c) The department shall review Medicaid and uninsured cost
 13 information, payment information, patient charges, and hospital financial
 14 statements to the extent required by state or federal law to determine the
 15 optimal combination of payments.

16 (d) Rural hospitals that do not provide the minimum set of
 17 documentation required in Subparagraph (4)(c) of this Section to determine the
 18 optimal combination of payments shall not be eligible for additional payments.

19 (e) The department is hereby authorized to publish and promulgate
 20 rules, in accordance with the Administrative Procedure Act, to implement the
 21 provisions of this Paragraph.

22 * * *

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Greg Waddell.

DIGEST

Thompson (SB 401)

Proposed law provides that effective for services provided on or after July 1, 2010, or as soon thereafter as may be permitted by federal law, DHH shall develop and implement, by emergency rule, a payment methodology which optimizes Medicaid inpatient and outpatient payments to rural hospitals.

Proposed law provides that payments shall be developed utilizing available Medicare upper payment limits for inpatient and outpatient services in accordance with state and federal law

and calculated payments shall be distributed to qualifying rural hospitals no less than quarterly, or as authorized by federal law.

Proposed law provides that after federal funds are optimized, the remaining appropriated funds for rural hospitals may be utilized to develop a state-only funded program to provide direct funds to qualifying rural hospitals to support access to services that would not be available otherwise. In the event the amount appropriated for such state-only funded program is insufficient in any state fiscal year to meet the total payments required by all rural hospitals to recover payment reductions, the payments to qualifying rural hospitals under this state-only funded program may be reduced proportionately.

Proposed law provides that the department shall review Medicaid and uninsured cost information, payment information, patient charges, and hospital financial statements to the extent required by state or federal law to determine the optimal combination of payments.

Proposed law provides that rural hospitals that do not provide the minimum set of documentation required by proposed law to determine the optimal combination of payments shall not be eligible for additional payments.

Proposed law provides that DHH is hereby authorized to publish and promulgate rules, in accordance with the APA, to implement the provisions of proposed law.

Effective August 15, 2010.

(Adds R.S. 40:1300.144(A)(4))