



State of Tennessee

PUBLIC CHAPTER NO. 766

HOUSE BILL NO. 1729

By Representatives Cameron Sexton, Kumar, Terry, Hazlewood

Substituted for: Senate Bill No. 2639

By Senator Hensley

AN ACT to amend Tennessee Code Annotated, Title 8, Chapter 27 and Title 71, Chapter 5, relative to payments to health care providers.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 71-5-151, is amended by designating the existing language of the section as subsection (a) and adding the following as new subsections:

(b) In developing or implementing any payment reform initiative involving the use of episodes of care with respect to medical assistance provided under this chapter by the bureau of TennCare or the health care finance and administration (HCFA) of the department of finance and administration, the bureau and HCFA shall not impose a fine or penalty on any provider. The bureau and HCFA may impose withholds in order to recover some portion of costs that exceeds a cost threshold for an episode developed by the initiative. A withhold may not be called a fine or a penalty.

(c)

(1) The bureau of TennCare and the HCFA shall study the means of fair and just implementation of the episodes of care initiatives, especially with respect to costs associated with:

(A) A healthcare facility located in an area that lacks an alternative healthcare facility within a thirty-minute drive;

(B) Lack of more than a single provider of healthcare services for, including, but not limited to, radiology, anesthesia, pathology, or physical therapy; and

(C) Contractual arrangements between the bureau of TennCare, managed care organizations, and other participating providers or healthcare facilities associated with the particular episode of care if such contracts are the cause of increased costs.

(2) No later than January 31, 2019, the bureau of TennCare and HCFA shall report the results of the study conducted pursuant to this subsection (c) to the health and welfare committee of the senate and the health committee of the house of representatives.

SECTION 2. This act shall take effect July 1, 2018, the public welfare requiring it.

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PASSED: April 5, 2018


BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES


RANDY MCNALLY
SPEAKER OF THE SENATE

APPROVED this 19th day of April 2018


BILL HASLAM, GOVERNOR