

1 S.70

2 Introduced by Senators Lyons, Miller and Mullin

3 Referred to Committee on

4 Date:

5 Subject: Health; hospitals; home health agencies; provider tax; state health
6 care resources fund

7 Statement of purpose: This bill proposes to support Medicaid payments to
8 hospitals and home health agencies by creating transparency on the
9 collaboration of the provider assessment and distribution of proceeds from the
10 collection of the provider assessment.

11 An act relating to hospital and home health assessments

12 It is hereby enacted by the General Assembly of the State of Vermont:

13 Sec. 1. 33 V.S.A. § 1953 is amended to read:

14 § 1953. HOSPITAL ASSESSMENT

15 (a) Hospitals shall be subject to an annual assessment as follows:

16 (1) Each hospital's annual assessment, except for hospitals assessed
17 under subdivision (2) of this subsection, effective October 31, 2011 shall be
18 ~~5.5~~ six percent of its net patient revenues (less chronic, skilled, and swing bed
19 revenues) for the hospital's fiscal year as determined annually by the
20 commissioner of Vermont health access from the hospital's financial reports

1 and other data filed with the department of banking, insurance, securities, and
2 health care administration. The annual assessment shall be based on data from
3 a hospital's most recent full fiscal year for which data has been reported to the
4 department of banking, insurance, securities, and health care administration.

5 (2) Beginning July 1, 2004, each mental hospital or psychiatric facility's
6 annual assessment shall be 4.21 percent, provided that the United States
7 Department of Health and Human Services grants a waiver to the uniform
8 assessment rate, pursuant to 42 C.F.R. § 433.68(e). If the United States
9 Department of Health and Human Services fails to grant a waiver, mental
10 hospitals and psychiatric facilities shall be assessed under subdivision (1) of
11 this subsection.

12 (b) Each hospital shall be notified in writing by the department of the
13 assessment made pursuant to this section. If no hospital submits a request for
14 reconsideration under section 1958 of this title, the assessment shall be
15 considered final.

16 (c) Each hospital shall submit its assessment to the department according to
17 a payment schedule adopted by the commissioner in consultation with the
18 Vermont joint fiscal committee as provided in subdivision 1953b(a)(1) of this
19 title. ~~Variations in payment schedules shall be permitted as deemed necessary~~
20 ~~by the commissioner.~~

1 (d) Any hospital that fails to make a payment to the department on or
2 before the specified schedule, or under any schedule for delayed payments
3 established by the commissioner, shall be assessed not more than \$1,000.00.
4 The commissioner may waive this late payment assessment provided for in this
5 subsection for good cause shown by the hospital.

6 (e) All monies paid as hospital assessments shall be subject to federal
7 matching as authorized under federal law and shall be deposited into the state
8 health care resources fund. The hospital assessments and related matching
9 funds shall be used by appropriation by the general assembly only for the
10 following purposes consistent with the Global Commitment for Health
11 Medicaid Section 1115 waiver:

12 (1) to pay disproportionate share (DSH) payments;

13 (2) to increase hospital reimbursements under the Vermont Medicaid
14 program to 100 percent of each hospital's approved costs with the goal of
15 decreasing Medicaid underpayments and creating Medicaid reimbursements
16 that are at the same rate of payment as the Medicare program;

17 (3) to sustain the Vermont Catamount Health program; and

18 (4) to pay the actual administrative costs of implementing and
19 administering this subsection.

1 Sec. 2. 33 V.S.A. § 1955a is amended to read:

2 § 1955a. HOME HEALTH AGENCY ASSESSMENT

3 (a) Beginning July 1, 2009, each home health agency's assessment shall be
4 17.69 percent of its net operating revenues from core home health care
5 services, excluding revenues for services provided under Title XVIII of the
6 federal Social Security Act. The amount of the tax shall be determined by the
7 commissioner based on the home health agency's most recent audited financial
8 statements at the time of submission, a copy of which shall be provided on or
9 before December 1 of each year to the department. For providers who begin
10 operations as a home health agency after January 1, 2005, the tax shall be
11 assessed as follows:

12 (1) Until such time as the home health agency submits audited financial
13 statements for its first full year of operation as a home health agency, the
14 commissioner, in consultation with the home health agency, shall annually
15 estimate the amount of tax payable and shall prescribe a schedule for interim
16 payments.

17 (2) At such time as the full-year audited financial statement is filed, the
18 final assessment shall be determined, and the home health agency shall pay any
19 underpayment or the department shall refund any overpayment. The
20 assessment for the state fiscal year in which a provider commences operations

1 as a home health agency shall be prorated for the proportion of the state fiscal
2 year in which the new home health agency was in operation.

3 (b) Each home health agency shall be notified in writing by the department
4 of the assessment made pursuant to this section. If no home health agency
5 submits a request for reconsideration under section 1958 of this title, the
6 assessment shall be considered final.

7 (c) Each home health agency shall submit its assessment to the department
8 according to a payment schedule adopted by the commissioner. Variations in
9 payment schedules shall be permitted as deemed necessary by the
10 commissioner.

11 (d) Any home health agency that fails to make a payment to the department
12 on or before the specified schedule, or under any schedule for delayed
13 payments established by the commissioner, shall be assessed not more than
14 \$1,000.00. The commissioner may waive this late payment assessment
15 provided for in this subsection for good cause shown by the home health
16 agency.

17 (e) All monies paid as home health assessments shall be subject to federal
18 matching as authorized under federal law and shall be deposited into the state
19 health care resources fund. The home health assessments and related matching
20 funds shall be used by appropriation by the general assembly only for the

1 following purposes consistent with the Global Commitment for Medicaid

2 Section 1115 waiver:

3 (1) to increase home health reimbursement under the Vermont Medicaid
4 program to match the current federal low utilization payment adjustment per-
5 visit rate for those services paid on a per-visit basis;

6 (2) to sustain the Vermont Catamount Health program; and

7 (3) to pay the actual administrative costs of implementing and
8 administering this subsection.

9 Sec. 3. 33 V.S.A. § 1953a is added to read:

10 § 1953a. APPROPRIATIONS TO HOSPITALS AND HOME HEALTH

11 AGENCIES

12 (a) Payments made from the state health care resources fund to hospitals
13 and home health agencies pursuant to subsections 1953(e) and 1955a(e) of this
14 title shall be timely and, to the extent feasible, simultaneous with the
15 assessments imposed to ensure the least disruption in cash flow as possible.

16 (b) If payments from the state health care resources fund to hospitals and
17 home health agencies are less than 100 percent of the approved costs under the
18 Medicare program or as otherwise provided in this section, this appropriation
19 shall supplement, not supplant, general fund appropriations to support

1 reimbursements. General fund appropriations for hospital and home health
2 agency reimbursements shall be maintained at the level of appropriations in the
3 Vermont Medicaid budget for the fiscal year commencing July 1, 2011, except
4 that general fund appropriations for hospital and home health agency
5 reimbursements may be reduced if an index of appropriations to other
6 providers shows that general fund appropriations are reduced for other
7 providers. If the index shows that the general fund appropriations are reduced
8 for other providers, the general fund appropriations for hospital and home
9 health agency reimbursements shall not be reduced by a greater percentage
10 than the reductions of appropriations for the other providers as shown by the
11 index.

12 (c) For purposes of this section, the “index of appropriations to other
13 providers” or “index” shall mean the average percent change in reimbursement
14 rates through appropriations or legislation enacted by the general assembly to
15 physician services and outpatient pharmacies, excluding dispensing fees.

16 (d) Home health agency reimbursement shall match the federal low
17 utilization payment adjustment per-visit Medicare rate for those services paid
18 on a per-visit basis.

1 Sec. 4. 33 V.S.A. § 1953b is added to read:

2 § 1953b. HOSPITAL AND HOME HEALTH AGENCY ASSESSMENT

3 OVERSIGHT AND ADVISORY BOARD

4 (a) The Vermont joint fiscal committee shall serve as the hospital and home
5 health agency assessment oversight and advisory board and shall have the
6 following duties:

7 (1) Recommend to the department of Vermont health access the timing
8 and method by which the department shall assess the hospital and home health
9 agency assessment; and

10 (2) Consult, upon the request of the senate committee on health and
11 welfare, the house committee on health care, the house committee on human
12 services, or the house or senate committee on appropriations, on any legislation
13 that may affect the hospital and home health agency assessment and
14 reimbursements from the state health care resource fund.

15 (b) On or before January 15, 2012, and on or before January 15 each year
16 thereafter, the Vermont joint fiscal committee shall submit a written report to
17 the senate committee on health and welfare, the house committee on health
18 care, the house committee on human services, and the senate and house
19 committees on appropriations. The report shall include:

20 (1) The recommendations made to the department of Vermont health
21 access pursuant to this section;

1 (2) A description of the formulas for how the hospital and home health
2 agency assessment is calculated, along with the process by which the
3 assessment is assessed and collected;

4 (3) An itemization of the total amount of the assessment paid by each
5 hospital and home health agency and the projected revenue that is expected to
6 be received from the health care resources fund; and

7 (4) Estimates, as calculated annually in consultation with the department
8 of banking, insurance, securities, and health care administration and the agency
9 of human services, of the differences between the cost of care provided and the
10 payment received by each hospital and home health agency and aggregated for
11 patients covered by each of the following:

12 (A) Medicaid;

13 (B) Medicare; and

14 (C) all other payers.

15 Sec. 5. EFFECTIVE DATE

16 This act shall take effect on passage.