RULES

OF

DEPARTMENT OF COMMUNITY HEALTH

CHAPTER 111-3
MEDICAL ASSISTANCE

SUBJECT 111-3-11

HOSPITAL DIRECTED PAYMENT PROGRAM

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111-3-11-.01 Definitions

As used in this Chapter 111-3-11:

(1) "Board" means the Board of Community Health, the body created under O.C.G.A. § 31-2-3, appointed by the Governor, that establishes the general policy to be followed by the Department of Community Health.

(2) “Care Management Organization” means a managed care organization defined in 42 CFR § 438.2 and O.C.G.A. § 33-21A-2(1).

(3) "Department" means the Department of Community Health established under O.C.G.A. § 31-2-3.

(4) “Directed Payment” means any payment made to hospitals by Care Management Organizations pursuant to their Medicaid managed care contracts with the Department as authorized under 42 CFR § 438.6(c).

(5) "Hospital" means an institution license pursuant to Chapter 7 of Title 31, which is primarily engaged in providing to inpatients, by or under the supervision of physicians, diagnostic services and therapeutic services for medical diagnosis, treatment, and care of injured, disabled, or sick persons or rehabilitation services for the rehabilitation of injured, disabled, or sick persons. Such term includes public, private, rehabilitative, geriatric, osteopathic, and other specialty hospitals but shall not include psychiatric hospitals, which shall have the same meaning as facilities as defined in paragraph (7) of O.C.G.A. § 37-3-1, critical access hospitals as defined in paragraph (3) of O.C.G.A. § 33-21A-2, or any state owned or state operated hospitals.

(6) "Non-Governmental Hospital" means a subclass of Hospitals, authorized to be defined by the Board pursuant to paragraph (a) of O.C.G.A. § 31-8-179.2, that shall not include public, long term acute care, children's, rehabilitative, geriatric, osteopathic, and other specialty hospitals, psychiatric hospitals

which shall have the same meaning as facilities as defined in paragraph (7) of O.C.G.A. § 31-8-179.2, critical access hospitals as defined in paragraph (3) of O.C.G.A. § 33-21A-2, or any state-owned or state-operated hospitals.

(7) "Provider Payment" means a payment assessed by the Department pursuant to this chapter for the privilege of operating a Non-Governmental Hospital.

(8) "Segregated Account" means an account for the dedication and deposit of Provider Payments which is established within the Trust Fund.

(9) "Trust Fund" means the Indigent Care Trust Fund created by Article 6 of Chapter 8 of Title 31.

(10) "Waiver" means a waiver of the requirements for permissible health care related taxes, as provided for in 42 C.F.R § 433.68.

Authority: O.C.G.A. § 31-8-179.3.

111-3-11-.02 Payments to the Segregated Account

(1) There is established within the Trust Fund a Segregated Account for revenues raised through the imposition of the Provider Payment. Any Provider Payment assessed pursuant to this Chapter shall be deposited into the Segregated Account. No other funds shall be deposited into the Segregated Account. All funds shall be invested in the same manner as authorized for investing other moneys in the state treasury.

(2) Each Non-Governmental Hospital shall be assessed a Provider Payment not to exceed the amount necessary to obtain federal financial participation for Directed Payments allowable under 42 CFR § 438.6(c). The amount of each Non-Governmental Hospital's Provider Payment shall be determined by

the Department using available hospital financial data and other information as applicable, including, but not limited to, hospital cost reports and the annual Hospital Financial Survey. The Department shall seek any Waivers and federal approvals necessary to fully implement this Chapter.

(3) The Provider Payment shall be paid at least annually by each Non-Governmental Hospital to the Department within 14 calendar days of the Department's notice to the Non-Governmental Hospital that payment is due. The Department shall send such Provider Payment notices to each Non-Governmental Hospital within 30 calendar days or as soon as reasonably practical after the receipt of federal approval of Directed Payment(s) for the applicable rating period.

(4) The Department or its designee shall prepare and distribute a form on which each Non-Governmental Hospital shall submit information to comply with this Chapter.

(5) Each Non-Governmental Hospital shall keep and preserve for a period of seven (7) years such books and records as may be necessary to determine the amount for which it is liable under this Chapter. The Department shall have the authority to inspect and copy the records of a Non-Governmental Hospital for purposes of auditing the calculation of the Provider Payment. All information obtained by the Department pursuant to this Chapter shall be confidential and shall not constitute a public record.

(6) The Department may impose a penalty of up to six percent (6%) for any Non- Governmental Hospital that fails to pay a Provider Payment within the time required by the Department for each month or fraction thereof that the Provider Payment is overdue. If a required Provider Payment has not been received by the Department 14 days after the payment due date as specified in 111-3-11-.02 (3), the Department may withhold an amount equal to the Provider Payment and penalty owed from any medical assistance payment due such Non-Governmental Hospital under the Medicaid program. Any Provider Payment

assessed pursuant to this Chapter shall constitute a debt due the state and may be collected by civil action and the filing of tax liens in addition to such methods provided for in this Chapter. Any penalty that accrues pursuant to this Rule shall be credited to the Segregated Account.

(7) If the Department determines that a Non-Governmental Hospital has underpaid the Provider Payment, the Department shall notify the Non-Governmental Hospital of the balance of the Provider Payment that is due. Such payment shall be due within thirty (30) days of the Department's notice.

Authority: O.C.G.A. § 31-8-179.3.

111-3-11-.03 Use of Provider Payments

(1) The Department shall collect the Provider Payments imposed pursuant to this Chapter. All revenues raised pursuant to this Chapter shall be deposited into the Segregated Account. Such funds shall be dedicated and used for the sole purpose of obtaining federal financial participation for Directed Payments to Non-Governmental Hospitals from Care Management Organizations on behalf of Medicaid recipients pursuant to Article 7 of Chapter 4 of Title 49. Directed Payments shall be exclusively used to provide Medicaid payments to Non-Governmental Hospitals based on each Non-Governmental Hospital's individual claims to Care Management Organizations.

(2) Revenues appropriated to the Department by the General Assembly pursuant to Article 6C of Chapter 8 of Title 31, shall be used to match federal funds that are available for the purpose for which such funds have been appropriated.

(3) The Department shall require the Care Management Organizations to remit any payments required under this Rule

within ten (10) days of the Department's receipt of the Provider Payments pursuant to this Chapter.

Authority: O.C.G.A. § 31-8-179.3.

111-3-11-.04 Use of Directed Payments

(1) The Department may, in its sole discretion, create one or more directed payment programs in accordance with this Chapter.

(2) Non-Governmental Hospitals shall comply with Department requests to submit reports to the Department when necessary to comply with the requirements of 42 CFR 438.6(c)(2)(ii).

Authority: O.C.G.A. Sec. 31-8-179.3.