

PROPOSED RULE CHANGES
RULES OF
DEPARTMENT OF COMMUNITY HEALTH
MEDICAL ASSISTANCE
CHAPTER 111-3-9
HOSPITAL PROVIDER PAYMENT PROGRAM

STATEMENT OF PURPOSE AND MAIN FEATURES OF PROPOSED RULE

Synopsis

The Department is proposing a new Chapter 111-3-9 and accompanying Rules .01 through .04 to implement the requirements of the Hospital Medicaid Financing Program Act as signed by the Governor as Act I of the 2013 Session of the Georgia General Assembly. The chapter and rules authorize the Department, upon approval by the Board of Community Health, to assess and collect certain hospital provider payments. All revenues raised from these payments are to be deposited into a segregated account within the Indigent Care Trust Fund. Funds can only be used to obtain federal financial participation for medical assistance payments to hospitals and other providers on behalf of Medicaid recipients. Revenues must be appropriated to the Department by the Georgia General Assembly. Finally, the chapter and rules also authorize the Department to assess penalties against any hospital that fails to make the required payment within specified timeframes.

111-3-9.01 Definitions

As used in Chapter 111-3-9:

(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) "Department" means the Department of Community Health established under O.C.G.A. § 31-2-1.

(3) "Hospital" means an institution licensed 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.

(4) "Net Patient Revenue" means the total gross patient revenue of a Hospital less contractual adjustments; charity care; bad debt; Hill-Burton commitments; indigent care as defined by and calculated in the Department's annual Hospital Financial Survey; and gross patient revenues and contractual adjustments realized pursuant to section 1902(a)(10)(A)(i)(VIII) of the Social Security Act.

(5) "Provider Payment" means a payment assessed by the Department pursuant to this Chapter for the privilege of operating a Hospital.

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

(7) "State Plan Amendment" means all documentation submitted by the Commissioner, on behalf of the Department, to and for approval by the Secretary of Health and Human Services pursuant to Title XIX of the federal Social Security Act of 1935, as amended.

(8) "Trauma Center" means a Hospital designated by the Department of Public Health as a Level I, II, III or IV Trauma Center.

(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: Act I of the 2013 Session of the Georgia General Assembly.

111-3-9-02 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 Hospital shall be assessed a Provider Payment in the amount of 1.45 percent of the Net Patient Revenue of the Hospital; provided, however, that Trauma Centers shall be assessed a Provider Payment in the amount of 1.40 percent of the Net Patient Revenue of the Trauma Center.

(3) The Provider Payment shall be paid quarterly by each Hospital to the Department. The assessment shall be based on the Department's annual Hospital Financial Survey. Payment of the Provider Payment shall be due on the last day of the last month of each calendar quarter; the first payment shall be due on September 30, 2013 or 30 calendar days after the receipt of State Plan Amendment approval, whichever is later.

(4) The Department shall prepare and distribute a form on which each Hospital shall submit information to comply with this Chapter.

(5) Each 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 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 shall impose a penalty of up to six percent (6%) for any 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 by the last day of the last month of the calendar quarter, the Department shall withhold an amount equal to the Provider Payment and penalty owed from any medical assistance payment due such 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) In the event the Department determines that a Hospital has underpaid the Provider Payment, the Department shall notify the 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.

(8) The Provider Payment imposed under this Chapter shall be recognized by the Department as a form of expenditure for indigent or charity care under any agreement by a Hospital to provide a specified amount of clinical health services to indigent patients pursuant to

subsection (c) of O.C.G.A. § 31-6-40.1 and may be considered a community benefit for purposes of any required or voluntary community benefit report filed or prepared by a Hospital; provided, however, that the Provider Payment shall not be considered charity or indigent care for purposes of calculating Net Patient Revenue pursuant to this Chapter.

Authority: Act I of the 2013 Session of the Georgia General Assembly.

111-3-9.03 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 medical assistance payments to Hospitals and other providers on behalf of Medicaid recipients pursuant to Article 7 of Chapter 4 of Title 49.

(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) In recognition of the Provider Payments made by Hospitals pursuant to this Chapter, the Department shall add 11.88 percent to hospital inpatient base rates, capital add-on rates, graduate medical education add-on rates, outlier per case payments and outpatient payment rates.

(4) The Department may conduct an annual review of the percentage defined in paragraph 3 and may make prospective adjustments to such percentage to ensure the amount of the add-on payments to Hospitals are substantially equivalent in the aggregate to the total amount of Provider Payments made by Hospitals pursuant to this Chapter.

Authority: Act I of the 2013 Session of the Georgia General Assembly.

111-3-9.04 Effective Date

Upon the adoption by the Board, Chapter 111-3-9 shall become effective on July 1, 2013.

Authority: Act I of the 2013 Session of the Georgia General Assembly.