

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Michael J. Moran

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act ensuring fair and reasonable Medicaid payment rates for services provided by health care facilities licensed to provide chronic disease hospital services to children and adolescents.

PETITION OF:

NAME:

Michael J. Moran

DISTRICT/ADDRESS:

18th Suffolk

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT ENSURING FAIR AND REASONABLE MEDICAID PAYMENT RATES FOR SERVICES PROVIDED BY HEALTH CARE FACILITIES LICENSED TO PROVIDE CHRONIC DISEASE HOSPITAL SERVICES TO CHILDREN AND ADOLESCENTS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 **SECTION 1:** Section 13A of Chapter 118E of the Massachusetts General Laws, as appearing in
2 the 2004 Official Edition, is hereby amended by inserting after the third paragraph the following
3 paragraph:

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5 For any hospital fiscal year commencing on or after October 1, 2007, the Commonwealth shall
6 establish a new rate methodology through the Division of Healthcare Finance and Policy and the
7 Executive Office of Health and Human Services to cover the cost of care provided by any facility
8 licensed by the Department of Public Health as a chronic disease hospital providing services
9 solely to children and adolescents, as follows: (1) The rate of reimbursement for any such facility
10 shall be developed collaboratively through an agreement among the office of Medicaid, the
11 Division of Healthcare Finance and Policy, and any such facility; (2) the reimbursement rate for
12 any such facility shall incorporate the following components: (a) utilization of the reimbursement
13 methodology used by the Division and the Executive Office of Health and Human Services to
14 determine payments for Medicaid disproportionate share pediatric hospitals in effect in 2007
15 utilizing the most recently filed 403 cost report with the division and the payments received from
16 Medicaid eligible patients for the base period; (b) a per diem rate for inpatient and a payment on
17 account factor for outpatient shall be established which reimburses the full unrecovered cost,
18 including capital; and (c) the rates shall be inflated over the base period by the applicable
19 Medicare market basket inflation factors; and (3) notwithstanding any other provision of law, in

20 no event will the rates of payment be lower than the rates in effect for such facility in the prior
21 fiscal year .