

House Bill 74

By: Representatives Powell of the 29th and Dodson of the 75th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 8 of Title 31 of the Official Code of Georgia Annotated, relating to
2 indigent and elderly patients, so as to provide for a fee from certain hospitals; to provide for
3 definitions; to establish a segregated account within the Indigent Care Trust Fund for the
4 deposit of such fees; to provide for a method for calculating and collecting the
5 intergovernmental transfer of disproportionate share funds; to authorize the Department of
6 Community Health to inspect hospital records for purposes of auditing disproportionate share
7 allocations; to provide for penalties for failure to make intergovernmental transfers of
8 disproportionate share funds; to authorize the department to withhold Medicaid payments
9 equal to amounts owed as the intergovernmental transfer and penalty; to provide for the
10 collection of fees by civil action and tax liens; to provide for the appropriation of funds in
11 the segregated account for medical assistance payments to hospitals; to provide for
12 application of the "Georgia Medical Assistance Act of 1977"; to provide for related matters;
13 to provide for an effective date; to repeal conflicting laws; and for other purposes.

14 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

15 **SECTION 1.**

16 Chapter 8 of Title 31 of the Official Code of Georgia Annotated, relating to indigent and
17 elderly patients, is amended by adding a new Article 6B to read as follows:

18 "ARTICLE 6B

19 31-8-170.

20 This article is passed pursuant to the authority of Article III, Section IX, Paragraph VI(i)
21 of the Constitution.

22 31-8-171.

23 As used in this article, the term:

- 1 (1) 'Department' means the Department of Community Health created by Chapter 5A of
2 this title.
- 3 (2) 'Hospital' means a facility required to be licensed or permitted as a hospital under the
4 provisions of Chapter 7 of this title which is not owned or operated by the state or federal
5 government.
- 6 (3) 'Hospital that disproportionately serves the medically indigent' means a hospital for
7 which the patient days attributable to medically indigent residents account for more than
8 15 percent of the hospital's total patient days during a 12 month period. For purposes of
9 this computation, medicare program patient days shall not be included in the hospital's
10 total patient days.
- 11 (4) 'Intergovernmental transfer of disproportionate share funds' or 'intergovernmental
12 transfer' means the payment by a public hospital of the portion determined by the
13 department based on the hospital's allocation of disproportionate share funds for that
14 year.
- 15 (5) 'Medically indigent' means a person who meets the state-wide standards of indigency
16 adopted by the department.
- 17 (6) 'Patient day' means a day of care provided to an individual patient of a hospital by the
18 hospital. A patient day includes the date of admission but does not include the date of
19 discharge, unless the dates of admission and discharge occur on the same day.
- 20 (7) 'Public hospital' means a hospital owned by an authority established pursuant to
21 Article 4 of Chapter 7 of this title.
- 22 (8) 'Segregated account' means an account for the dedication and deposit of provider fees
23 which is established within the Indigent Care Trust Fund created pursuant to Code
24 Section 31-8-152.
- 25 (9) 'State plan' means all documentation submitted by the commissioner of the
26 Department of Community Health on behalf of the department to and for approval by the
27 United States secretary of health and human services, pursuant to Title XIX of the federal
28 Social Security Act.
- 29 (10) 'Trust fund' means the Indigent Care Trust Fund created pursuant to Code Section
30 31-8-152.
- 31 31-8-172.
- 32 There is established within the trust fund a segregated account for revenues raised through
33 intergovernmental transfers of disproportionate share funds. All revenues raised through
34 such transfers shall be credited to the segregated account within the trust fund and shall be
35 invested in the same manner as authorized for investing other moneys in the state treasury.

1 Contributions and transfers to the trust fund pursuant to Code Sections 31-8-153 and
2 31-8-153.1 shall not be deposited into the segregated account.

3 31-8-173.

4 (a) Each public hospital shall make an intergovernmental transfer of disproportionate share
5 funds. The transfers shall be made by all public hospitals.

6 (b) The intergovernmental transfers of disproportionate share funds shall be made
7 quarterly by each public hospital to the department, unless the department determines that
8 less frequent transfers are permissible. Transfers must be made at least as often as
9 annually.

10 31-8-174.

11 (a) The department shall collect the intergovernmental transfers imposed pursuant to Code
12 Section 31-8-173. All revenues raised pursuant to this article shall be deposited into the
13 segregated account. Such funds shall be dedicated and used for the sole purpose of
14 obtaining federal financial participation for disproportionate share payments to hospitals
15 that disproportionately serve the medically indigent.

16 (b) The department shall prepare and distribute a survey form upon which a public hospital
17 shall calculate and report to the department the information necessary for the department
18 to calculate the required amount for the intergovernmental transfer of disproportionate
19 share funds. The department's determination as to the required amount shall be final.

20 (c) Each hospital shall keep and preserve for a period of three years such books and
21 records as may be necessary to determine the amount for which it is liable under this
22 article. The department shall have the authority to inspect and copy the records of a
23 hospital for purposes of calculating the hospital's disproportionate share allocation. All
24 information obtained by the department pursuant to this article shall be confidential and
25 shall not constitute a public record; provided, however, that information otherwise
26 available to the public by law shall not be deemed confidential by virtue of its being
27 obtained by the department.

28 (d) When the department has determined the required amount of intergovernmental
29 transfer of disproportionate share funds, the department shall notify each public hospital
30 of the amount of the intergovernmental transfer of disproportionate share funds that is due,
31 and of the time upon which such transfer shall be due.

32 (e) Any public hospital that fails to make the required intergovernmental transfer of
33 disproportionate share funds pursuant to this article within the time required by the
34 department shall pay, in addition to the amount of the outstanding intergovernmental
35 transfer of disproportionate share funds, a 10 percent penalty for each month or fraction

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SECTION 3.

2 All laws and parts of laws in conflict with this Act are repealed.