

The House Committee on Appropriations offers the following substitute to HB 307:

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 8 of Title 31 of the Official Code of Georgia Annotated, relating to the
2 care and protection of indigent and elderly patients, so as to provide for a payment to be
3 imposed on hospitals to be used to obtain federal financial participation for medical
4 assistance payments under Medicaid; to provide for a short title; to provide for definitions;
5 to establish two segregated accounts within the Indigent Care Trust Fund for the deposit of
6 provider payments; to provide for a method for calculating and collecting the provider
7 payment; to authorize the Department of Revenue to inspect hospital records for purposes
8 of auditing provider payments; to provide for penalties for failure to pay a provider payment;
9 to authorize the Department of Revenue to recommend withholding of Medicaid payments
10 equal to amounts owed as a provider payment and penalty; to provide for the collection of
11 payments by civil action and tax liens; to provide for the appropriation of funds in the
12 segregated account for medical assistance payments; to provide for application of the
13 "Georgia Medical Assistance Act of 1977"; to provide for automatic repeal; to provide for
14 related matters; to provide for an effective date; to repeal conflicting laws; and for other
15 purposes.

16 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

17 **SECTION 1.**

18 This Act shall be known and may be cited as the "Provider Payment Agreement Act."

19 **SECTION 2.**

20 Chapter 8 of Title 31 of the Official Code of Georgia Annotated, relating to the care and
21 protection of indigent and elderly patients, is amended by adding a new article to read as
22 follows:

23 "ARTICLE 6C

24 31-8-179.

25 This article is enacted pursuant to the authority of Article III, Section IX, Paragraph VI(i)
 26 of the Constitution.

27 31-8-179.1.

28 As used in this article, the term:

29 (1) 'Ambulatory surgical center' means any institution licensed pursuant to Chapter 7 of
 30 this title, which is a public or private facility, not part of a hospital, which provides
 31 surgical treatment performed under general or regional anesthesia in an operating room
 32 environment to patients not requiring hospitalization.

33 (2) 'Department' means the Department of Revenue.

34 (3) 'Hospital' means an institution licensed pursuant to Chapter 7 of this title which is
 35 primarily engaged in providing to inpatients, by or under the supervision of physicians,
 36 diagnostic services and therapeutic services for medical diagnosis, treatment, and care of
 37 injured, disabled, or sick persons or rehabilitation services for the rehabilitation of
 38 injured, disabled, or sick persons. Such term includes public, private, rehabilitative,
 39 geriatric, osteopathic, and other specialty hospitals and freestanding ambulatory surgical
 40 centers, but shall not include psychiatric hospitals as defined in paragraph (7) of Code
 41 Section 37-3-1, critical access hospitals as defined in paragraph (3) of Code Section
 42 33-21A-2, hospitals not authorized by law to accept Medicaid payments, or any state
 43 owned or state operated hospitals.

44 (4) 'Net patient revenue' means the total gross patient revenue of a hospital less
 45 contractual adjustments; charity care; bad debt; Hill-Burton commitments; and indigent
 46 care as defined by and calculated in available audited Medicaid and medicare cost reports
 47 provided to the Department of Community Health, the Disproportionate Share Hospital
 48 Survey, or the Department of Community Health's annual financial survey.

49 (5) 'Provider payment' means the payment imposed pursuant to this article for the
 50 privilege of operating a hospital.

51 (6) 'Segregated account' means an account for the dedication and deposit of provider
 52 payments which is established within the Indigent Care Trust Fund created pursuant to
 53 Code Section 31-8-152.

54 (7) 'Trust fund' means the Indigent Care Trust Fund created pursuant to Code Section
 55 31-8-152.

56 31-8-179.2.

57 There are established within the trust fund two segregated accounts for revenues raised
58 through the imposition of the provider payment. All revenues raised through provider
59 payments from hospitals other than ambulatory surgical centers shall be credited to one
60 segregated account within the trust fund and all revenues raised through provider payments
61 from ambulatory surgical centers shall be credited to a second segregated account. All
62 funds shall be invested in the same manner as authorized for investing other moneys in the
63 state treasury. Contributions and transfers to the trust fund pursuant to Code Sections
64 31-8-153 and 31-8-153.1 shall not be deposited into the segregated accounts.

65 31-8-179.3.

66 (a) Each hospital shall be assessed a provider payment, assessed uniformly upon all
67 hospitals, in the amount of 1.45 percent of the net patient revenue of the hospital.

68 (b) The provider payment shall be paid quarterly by each hospital to the department. The
69 assessment shall be based on the hospital's most recent completed, available, and audited
70 Medicaid and medicare cost reports as submitted to the Department of Community Health;
71 provided, however, that for ambulatory surgical centers, the assessment shall be based on
72 the annual financial survey submitted to the Department of Community Health. Payment
73 of the provider payment shall be due at end of each calendar quarter; the first payment shall
74 be due on September 30.

75 31-8-179.4.

76 (a) The department shall collect the provider payments imposed pursuant to Code Section
77 31-8-179.3. All revenues raised pursuant to this article shall be deposited into the
78 segregated account. Such funds shall be dedicated and used for the sole purpose of
79 obtaining federal financial participation for medical assistance payments to providers on
80 behalf of Medicaid recipients pursuant to Article 7 of Chapter 4 of Title 49.

81 (b) The department shall prepare and distribute a form upon which each hospital shall
82 submit information to comply with this article.

83 (c) Each hospital shall keep and preserve for a period of three years such books and
84 records as may be necessary to determine the amount for which it is liable under this
85 article. The department shall have the authority to inspect and copy the records of a
86 hospital for purposes of auditing the calculation of the provider payment. All information
87 obtained by the department pursuant to this article shall be confidential and shall not
88 constitute a public record.

89 (d) In the event the department determines that a hospital has underpaid or overpaid the
90 provider payment, the department shall notify the hospital of the balance of the provider

91 payment or refund that is due. Such payment or refund shall be due within 30 days of the
92 department's notice.
93 (e) Any hospital that fails to pay the provider payment pursuant to this article within the
94 time required by this article shall pay, in addition to the outstanding provider payment, a
95 6 percent penalty for each month or fraction thereof that the payment is overdue. If a
96 provider payment has not been received by the department by the last day of the month, the
97 department shall recommend that the Department of Community Health withhold an
98 amount equal to the provider payment and penalty owed from any medical assistance
99 payment due such hospital under the Medicaid program. The provider payment levied by
100 this article shall constitute a debt due the state and may be collected by civil action and the
101 filing of tax liens in addition to such methods provided for in this article. Any penalty that
102 accrues pursuant to this subsection shall be credited to the segregated account.

103 31-8-179.5.

104 (a) Notwithstanding any other provision of this chapter, the General Assembly is
105 authorized to appropriate as state funds to the Department of Community Health for use
106 in any fiscal year all revenues dedicated and deposited into the segregated account. Such
107 appropriations shall be made for the sole purpose of obtaining federal financial
108 participation for medical assistance payments to providers on behalf of Medicaid recipients
109 pursuant to Article 7 of Chapter 4 of Title 49. Any appropriation from the segregated
110 account for any purpose other than such medical assistance payments shall be void.

111 (b) Revenues appropriated to the Department of Community Health pursuant to this Code
112 section shall be used to match federal funds that are available for the purpose for which
113 such trust funds have been appropriated.

114 (c) Appropriations from the segregated account to the Department of Community Health
115 shall not lapse to the general fund at the end of the fiscal year.

116 31-8-179.6.

117 The Department of Community Health shall report annually to the General Assembly on
118 its use of revenues deposited into the segregated account and appropriated to the
119 Department of Community Health pursuant to this article.

120 31-8-179.7.

121 Except where inconsistent with this article, the provisions of Article 7 of Chapter 4 of Title
122 49, the 'Georgia Medical Assistance Act of 1977,' shall apply to the department and the
123 Department of Community Health in carrying out the purposes of this article.

124 31-8-179.8.

125 This article shall stand repealed on June 30, 2013."

126 **SECTION 3.**

127 This Act shall become effective July 1, 2010.

128 **SECTION 4.**

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