

House Bill 307 (COMMITTEE SUBSTITUTE) (AM)

By: Representatives Cole of the 125<sup>th</sup> and Ramsey of the 72<sup>nd</sup>

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; provided, however, this term shall  
 33 not include joint venture ambulatory surgical centers, as defined in paragraph (23) of  
 34 Code Section 31-6-2, or single specialty ambulatory surgical centers, as defined in  
 35 paragraph (33) of Code Section 31-6-2, which are exempt from Chapter 6 of this title  
 36 pursuant to paragraphs (18) and (19) of Code Section 31-6-47.

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

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

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

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

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

58 (7) 'Trust fund' means the Indigent Care Trust Fund created pursuant to Code Section  
59 31-8-152.

60 31-8-179.2.

61 There are established within the trust fund two segregated accounts for revenues raised  
62 through the imposition of the provider payment. All revenues raised through provider  
63 payments from hospitals other than ambulatory surgical centers shall be credited to one  
64 segregated account within the trust fund and all revenues raised through provider payments  
65 from ambulatory surgical centers shall be credited to a second segregated account. All  
66 funds shall be invested in the same manner as authorized for investing other moneys in the  
67 state treasury. Contributions and transfers to the trust fund pursuant to Code Sections  
68 31-8-153 and 31-8-153.1 shall not be deposited into the segregated accounts.

69 31-8-179.3.

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

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

79 31-8-179.4.

80 (a) The department shall collect the provider payments imposed pursuant to Code Section  
81 31-8-179.3. All revenues raised pursuant to this article shall be deposited into the  
82 segregated account. Such funds shall be dedicated and used for the sole purpose of  
83 obtaining federal financial participation for medical assistance payments to providers on  
84 behalf of Medicaid recipients pursuant to Article 7 of Chapter 4 of Title 49.

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

87 (c) Each hospital shall keep and preserve for a period of three years such books and  
88 records as may be necessary to determine the amount for which it is liable under this  
89 article. The department shall have the authority to inspect and copy the records of a  
90 hospital for purposes of auditing the calculation of the provider payment. All information

91 obtained by the department pursuant to this article shall be confidential and shall not  
92 constitute a public record.

93 (d) In the event the department determines that a hospital has underpaid or overpaid the  
94 provider payment, the department shall notify the hospital of the balance of the provider  
95 payment or refund that is due. Such payment or refund shall be due within 30 days of the  
96 department's notice.

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

107 31-8-179.5.

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

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

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

120 31-8-179.6.

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

124 31-8-179.7.

125 Except where inconsistent with this article, the provisions of Article 7 of Chapter 4 of Title  
126 49, the 'Georgia Medical Assistance Act of 1977,' shall apply to the department and the  
127 Department of Community Health in carrying out the purposes of this article.

128 31-8-179.8.

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

130 **SECTION 3.**

131 This Act shall become effective July 1, 2010.

132 **SECTION 4.**

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