

The Senate Finance Committee offered 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 a segregated account 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:

SECTION 1.

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

SECTION 2.

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

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) 'Department' means the Department of Revenue.

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

39 (3) 'Net patient revenue' means the total gross patient revenue of a hospital less
 40 contractual adjustments; charity care; bad debt; Hill-Burton commitments; and indigent
 41 care as defined by and calculated in the Department of Community Health's annual
 42 hospital financial survey.

43 (4) 'Provider payment' means the payment imposed pursuant to this article for the
 44 privilege of operating a hospital.

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

48 (6) 'Trust fund' means the Indigent Care Trust Fund created pursuant to Code Section
 49 31-8-152.

50 31-8-179.2.

51 There is established within the trust fund a segregated account for revenues raised through
 52 the imposition of the provider payment. All revenues raised through provider payments
 53 from hospitals shall be credited to the segregated account within the trust fund. All funds
 54 shall be invested in the same manner as authorized for investing other moneys in the state
 55 treasury. Contributions and transfers to the trust fund pursuant to Code Sections 31-8-153
 56 and 31-8-153.1 shall not be deposited into the segregated account.

57 31-8-179.3.

58 (a) Each hospital shall be assessed a provider payment, assessed uniformly upon all
59 hospitals, in the amount of 1.45 percent of the net patient revenue of the hospital; provided,
60 however, that hospitals with a designated trauma center, as defined in paragraph (1) of
61 Code Section 31-11-100, shall be assessed a provider payment in the amount of 1.38
62 percent of the net patient revenue of the hospital.

63 (b) The provider payment shall be paid quarterly by each hospital to the department. The
64 assessment shall be based on the Department of Community Health's annual hospital
65 financial survey. Payment of the provider payment shall be due at end of each calendar
66 quarter; the first payment shall be due on September 30.

67 (c) The amount of provider payment paid by a hospital under this article shall be credited
68 by the Department of Community Health toward any indigent or charity care commitment
69 imposed by the Department of Community Health on such hospital as a condition of the
70 grant of a certificate of need pursuant to subsection (c) of Code Section 31-6-40.1 and
71 reported pursuant to Code Section 31-6-70.

72 31-8-179.4.

73 (a) The department shall collect the provider payments imposed pursuant to Code Section
74 31-8-179.3. All revenues raised pursuant to this article shall be deposited into the
75 segregated account. Such funds shall be dedicated and used for the sole purpose of
76 obtaining federal financial participation for medical assistance payments to providers on
77 behalf of Medicaid recipients pursuant to Article 7 of Chapter 4 of Title 49.

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

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

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

90 (e) Any hospital that fails to pay the provider payment pursuant to this article within the
91 time required by this article shall pay, in addition to the outstanding provider payment, a
92 6 percent penalty for each month or fraction thereof that the payment is overdue. If a

93 provider payment has not been received by the department by the last day of the month, the
 94 department shall recommend that the Department of Community Health withhold an
 95 amount equal to the provider payment and penalty owed from any medical assistance
 96 payment due such hospital under the Medicaid program. The provider payment levied by
 97 this article shall constitute a debt due the state and may be collected by civil action and the
 98 filing of tax liens in addition to such methods provided for in this article. Any penalty that
 99 accrues pursuant to this subsection shall be credited to the segregated account.

100 31-8-179.5.

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

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

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

113 31-8-179.6.

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

117 31-8-179.7.

118 Except where inconsistent with this article, the provisions of Article 7 of Chapter 4 of Title
 119 49, the 'Georgia Medical Assistance Act of 1977,' shall apply to the department and the
 120 Department of Community Health in carrying out the purposes of this article.

121 31-8-179.8.

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

123 **SECTION 3.**

124 This Act shall become effective July 1, 2010.

125 **SECTION 4.**
126 All laws and parts of laws in conflict with this Act are repealed.