

Senate Bill 24

By: Senators Bethel of the 54th, Jeffares of the 17th and Jackson of the 24th

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 8 of Title 31 of the Official Code of Georgia Annotated, relating to care  
2 and protection of indigent and elderly patients, so as to enact the "Hospital Medicaid  
3 Financing Program Act"; to authorize the Department of Community Health to assess a  
4 provider payment on hospitals for the purpose of obtaining federal financial participation for  
5 Medicaid; to provide for definitions; to provide for rules and regulations; to provide for a  
6 segregated account within the Indigent Care Trust Fund; to provide for the use of funds; to  
7 provide for repeal unless reauthorized; to provide for related matters; to provide effective  
8 dates; to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 style="text-align:center">**SECTION 1.**

11 Chapter 8 of Title 31 of the Official Code of Georgia Annotated, relating to care and  
12 protection of indigent and elderly patients, is amended by adding a new Article 6C to read  
13 as follows:

14 style="text-align:center">"ARTICLE 6C

15 31-8-179.

16 This article is enacted pursuant to the authority of Article III, Section IX, Paragraph VI(i)  
17 of the Constitution and shall be known and may be cited as the 'Hospital Medicaid  
18 Financing Program Act.'

19 31-8-179.1.

20 As used in this article, the term:

21 (1) 'Board' means the Board of Community Health.

22 (2) 'Department' means the Department of Community Health.

23 (3) 'Hospital' means an institution licensed pursuant to Chapter 7 of this title which is  
24 primarily engaged in providing to inpatients, by or under the supervision of physicians,  
25 diagnostic services and therapeutic services for medical diagnosis, treatment, and care of

26 injured, disabled, or sick persons or rehabilitation services for the rehabilitation of  
 27 injured, disabled, or sick persons. Such term includes public, private, rehabilitative,  
 28 geriatric, osteopathic, and other specialty hospitals but shall not include psychiatric  
 29 hospitals which shall have the same meaning as facilities as defined in paragraph (7) of  
 30 Code Section 37-3-1, critical access hospitals as defined in paragraph (3) of Code Section  
 31 33-21A-2, or any state owned or state operated hospitals.

32 (4) 'Provider payment' means a fee assessed by the department pursuant to this article for  
 33 the privilege of operating a hospital.

34 31-8-179.2.

35 (a) The board shall be authorized to establish and assess one or more provider payments  
 36 on hospitals based upon a percentage of net patient revenue, as defined by the board;  
 37 provided, however, that the board may lower the provider payment percentage for a  
 38 subclass of hospitals, if necessary, to comply with the broad based and uniform tests  
 39 pursuant to 42 C.F.R. Section 433.68. If any such provider payment is established and  
 40 assessed, the percentage shall be assessed uniformly upon all hospitals and shall be  
 41 calculated at an amount to achieve the purposes of this article. Any provider payment  
 42 assessed pursuant to this article shall not exceed the amount necessary to obtain federal  
 43 financial participation for medical assistance payments allowable under 42 C.F.R. Section  
 44 447.272 and 42 C.F.R. Section 447.321. The board shall be authorized to discontinue any  
 45 provider payment assessed pursuant to this article and shall cease to impose any such  
 46 provider payment if such funds are not eligible for federal matching funds under Title XIX  
 47 or Title XXI of the federal Social Security Act.

48 (b) The board shall be authorized to establish rules and regulations to assess and collect  
 49 any such assessed provider payments, including, but not limited to, payment frequency and  
 50 schedules, required information to be submitted, record retention, and whether any such  
 51 provider payment shall be credited toward any indigent or charity care requirements or  
 52 considered a community benefit.

53 31-8-179.3.

54 (a) Any revenues raised pursuant to this article shall be deposited into a segregated account  
 55 within the Indigent Care Trust Fund created pursuant to Code Section 31-8-152. No other  
 56 funds shall be deposited into such segregated account. All funds in such segregated account  
 57 shall be invested in the same manner as authorized for investing other moneys in the state  
 58 treasury.

59 (b) Any provider payments assessed pursuant to this article shall be dedicated and used for  
 60 the sole purpose of obtaining federal financial participation for medical assistance

61 payments to providers on behalf of Medicaid recipients pursuant to Article 7 of Chapter 4  
62 of Title 49.

63 (c) Each hospital shall keep and preserve for a period of seven years such books and  
64 records as may be necessary to determine the amount for which it is liable under this  
65 article. The department shall have the authority to inspect and copy the records of a  
66 hospital for purposes of auditing the calculation of the provider payment. All information  
67 obtained by the department pursuant to this article shall be confidential and shall not  
68 constitute a public record.

69 (d) In the event the department determines that a hospital has underpaid the provider  
70 payment, the department shall notify the hospital of the balance of the provider payment  
71 that is due. Such balance shall be due within 30 days of the department's notice.

72 (e) The department shall be authorized to impose a penalty of up to 6 percent for any  
73 hospital that fails to pay a provider payment within the time required by the department for  
74 each month or fraction thereof that the provider payment is overdue. If a required provider  
75 payment has not been received by the department by the last day of the month, the  
76 department shall withhold an amount equal to the provider payment and penalty owed from  
77 any medical assistance payment due such hospital under the Medicaid program. Any  
78 provider payment imposed pursuant to this article shall constitute a debt due the state and  
79 may be collected by civil action and the filing of tax liens in addition to such methods  
80 provided for in this article. Any penalty that accrues pursuant to this subsection shall be  
81 credited to the segregated account.

82 31-8-179.4.

83 (a) Notwithstanding any other provision of this chapter, the General Assembly is  
84 authorized to appropriate as state funds to the department for use in any fiscal year all  
85 revenues dedicated and deposited into the segregated account. Such appropriations shall  
86 be authorized to be made for the sole purpose of obtaining federal financial participation  
87 for medical assistance payments to providers on behalf of Medicaid recipients pursuant to  
88 Article 7 of Chapter 4 of Title 49. Any appropriation from the segregated account for any  
89 purpose other than such medical assistance payments shall be void.

90 (b) Revenues appropriated to the department pursuant to this Code section shall be used  
91 to match federal funds that are available for the purpose for which such trust funds have  
92 been appropriated.

93 (c) Appropriations from the segregated account to the department shall not lapse to the  
94 general fund at the end of the fiscal year.

95 31-8-179.5.

96 Except where inconsistent with this article, the provisions of Article 7 of Chapter 4 of Title  
97 49, the 'Georgia Medical Assistance Act of 1977,' shall apply to the department in carrying  
98 out the purposes of this article.

99 31-8-179.6.

100 This article shall stand repealed on June 30, 2018, unless reauthorized by the General  
101 Assembly prior to that date."

102 **SECTION 2.**

103 For purposes of proposing rules and regulations, this Act shall become effective upon its  
104 approval by the Governor or upon its becoming law without such approval. For all other  
105 purposes, this Act shall become effective on July 1, 2013.

106 **SECTION 3.**

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