

The Senate Regulated Industries and Utilities Committee offered the following substitute to SB 24:

**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 one
4 or more provider payments on hospitals for the purpose of obtaining federal financial
5 participation for Medicaid; to provide for definitions; to provide for rules and regulations;
6 to provide for one or more segregated accounts within the Indigent Care Trust Fund; to
7 provide for the use of funds; to provide for repeal unless reauthorized; to provide for related
8 matters; to provide for effective dates; to repeal conflicting laws; and for other purposes.

9 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

10 **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 "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 payment assessed by the department pursuant to this
33 article for the privilege of operating a hospital.

34 31-8-179.2.

35 (a) The board shall be authorized to establish and assess, by board rule, one or more
36 provider payments on hospitals, or a subclass of hospitals, as defined by the board;
37 provided, however, that if any such provider payment is established and assessed, the
38 provider payment shall comply with the requirements of 42 CFR 433.68. Any provider
39 payment assessed pursuant to this article shall not exceed the amount necessary to obtain
40 federal financial participation allowable under Title XIX of the federal Social Security Act.
41 The board shall be authorized to discontinue any provider payment assessed pursuant to
42 this article. The board shall cease to impose any such provider payment if:

43 (1) The provider payments are not eligible for federal matching funds under Title XIX
44 of the federal Social Security Act; or
45 (2) The department reduces Medicaid payment rates to hospitals as are in effect on June
46 30, 2012; reduces the provider payment rate adjustment factors utilized in developing the
47 state Fiscal Year 2013 capitated rates for Medicaid managed care organizations; or alters
48 any payment methodology, administrative rule, or payment policy as are in effect on June
49 30, 2012, or creates any new methodology, rule, or policy that has the effect of reducing
50 Medicaid payments to hospitals.

51 (a.1) The General Assembly shall have the authority to override any provider payment
52 assessed by the board pursuant to this Code section in accordance with the procedures
53 contained in subsection (f) of Code Section 50-13-4.

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

31-8-179.3.

(a) Any provider payments assessed pursuant to this article shall be deposited into a segregated account for each payment program within the Indigent Care Trust Fund created pursuant to Code Section 31-8-152. No other funds shall be deposited into any such segregated account or accounts. All funds in any such segregated account or accounts shall be invested in the same manner as authorized for investing other moneys in the state treasury. Any funds deposited into a segregated account pursuant to this article shall be subject to appropriation by the General Assembly.

(b) Any provider payments assessed pursuant to this article shall be dedicated and used for the sole purpose of obtaining federal financial participation for medical assistance payments to providers on behalf of Medicaid recipients pursuant to Article 7 of Chapter 4 of Title 49.

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

(d) The department shall be authorized to impose a penalty of up to 6 percent for any hospital that fails to pay a provider payment within the time required by the department for each month or fraction thereof that the provider payment is overdue. If a required provider payment has not been received by the department in accordance with department timelines, the department shall withhold an amount equal to the provider payment and penalty owed from any medical assistance payment due such hospital under the Medicaid program. Any provider payment assessed pursuant to this article shall constitute a debt due the state and may be collected by civil action and the filing of tax liens in addition to such methods provided for in this article. Any penalty that accrues pursuant to this subsection shall be credited to the applicable segregated account.

31-8-179.4.

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

segregated account for any purpose other than such medical assistance payments shall be void.

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

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

31-8-179.5.

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

31-8-179.6.

This article shall stand repealed on June 30, 2017, unless reauthorized by the General Assembly prior to that date."

SECTION 2.

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

SECTION 3.

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