

Senate Bill 24

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

**AS PASSED SENATE**

**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 aggregate amount of any fees established and assessed pursuant to this subsection shall  
 42 not exceed those percentages of net patient revenues set forth in the General Appropriations  
 43 Act. The board shall be authorized to discontinue any provider payment assessed pursuant  
 44 to this article. The board shall cease to impose any such provider payment if:

45 (1) The provider payments are not eligible for federal matching funds under Title XIX  
 46 of the federal Social Security Act; or

47 (2) The department reduces Medicaid payment rates to hospitals as are in effect on June  
 48 30, 2012; reduces the provider payment rate adjustment factors utilized in developing the  
 49 state Fiscal Year 2013 capitated rates for Medicaid managed care organizations; or alters  
 50 any payment methodology, administrative rule, or payment policy as are in effect on June  
 51 30, 2012, or creates any new methodology, rule, or policy that has the effect of reducing  
 52 Medicaid payments to hospitals.

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

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

61 31-8-179.3.

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

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

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

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

89 31-8-179.4.

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

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

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

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

103 31-8-179.5.

104 Except where inconsistent with this article, the provisions of Article 7 of Chapter 4 of Title  
105 49, the 'Georgia Medical Assistance Act of 1977,' shall apply to the department in carrying  
106 out the purposes of this article.

107 31-8-179.6.

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

110 **SECTION 2.**

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

114 **SECTION 3.**

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