HOUSE DOCKET, NO. 3073 FILED ON: 1/21/2011

HOUSE . . . . . No. 2777

The Commonwealth of Massachusetts

PRESENTED BY:

Michael J. Moran

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying:

An Act ensuring fair and reasonable Medicaid payment rates for services provided by health care facilities licensed to provide chronic disease hospital services to children and adolescents.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Michael J. Moran	*18th Suffolk*

HOUSE DOCKET, NO. 3073 FILED ON: 1/21/2011

HOUSE . . . . . No. 2777

By Mr. Moran of Boston, a petition (accompanied by bill, House, No. 2777) of Michael J. Moran relative to Medicaid payment rates for services provided by health care facilities licensed to provide chronic disease hospital services to children and adolescents. Health Care Financing.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE
HOUSE
, NO. *1090* OF 2009-2010.]

The Commonwealth of Massachusetts

An Act ensuring fair and reasonable Medicaid payment rates for services provided by health care facilities licensed to provide chronic disease hospital services to children and adolescents.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1: Section 13A of Chapter 118E of the Massachusetts General Laws, as
2 appearing in the 2004 Official Edition, is hereby amended by inserting after the third paragraph
3 the following paragraph:

4 For any hospital fiscal year commencing on or after October 1, 2007, the Commonwealth
5 shall establish a new rate methodology through the Division of Healthcare Finance and Policy
6 and the Executive Office of Health and Human Services to cover the cost of care provided by
7 any facility licensed by the Department of Public Health as a chronic disease hospital providing
8 services solely to children and adolescents, as follows: (1) The rate of reimbursement for any
9 such facility shall be developed collaboratively through an agreement among the office of
10 Medicaid, the Division of Healthcare Finance and Policy, and any such facility; (2) the
11 reimbursement rate for any such facility shall incorporate the following components: (a)
12 utilization of the reimbursement methodology used by the Division and the Executive Office of
13 Health and Human Services to determine payments for Medicaid disproportionate share
14 pediatric hospitals in effect in 2007 utilizing the most recently filed 403 cost report with the
15 division and the payments received from Medicaid eligible patients for the base period; (b) a per
16 diem rate for inpatient and a payment on account factor for outpatient shall be established which
17 reimburses the full unrecovered cost, including capital; and (c) the rates shall be inflated over the

18 base period by the applicable Medicare market basket inflation factors; and (3) notwithstanding
19 any other provision of law, in no event will the rates of payment be lower than the rates in effect
20 for such facility in the prior fiscal year .