

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 1807

DATE: March 14, 2007

Version: Delete everything amendment

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Subject: Disproportionate Share Hospital Payments and GAMC

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Overview

This bill limits GAMC expenditures that can be counted as Medicaid disproportionate share hospital (DSH) payments to fee-for service inpatient hospital expenditures, requires certain certified public expenditures made by Hennepin County Medical Center to be considered disproportionate share payments, and requires the commissioner to seek a federal match on GAMC hospital expenditures for services provided between July 1, 2007 and June 30, 2009.

Medicaid DSH payments are intended to provide financial assistance to hospitals that serve a disproportionate share of low-income patients with special needs. In Minnesota, DSH payments are paid as an add-on to MA hospital rates and the state receives the regular MA match of 50 percent for these payments. Federal Medicaid law limits total federal DSH payments to each state, and also limits the amount of DSH payments an individual facility can receive. The state's DSH limit for FY 2008 is \$67.9 million in federal matching dollars.

Section

- 1 Disproportionate numbers of low-income patients served.** Amends § 256.969, subd. 9. Limits the GAMC expenditures that can be counted as Medicaid disproportionate share hospital payments for the period July 1, 2005 to June 30, 2007, to fee-for-service inpatient hospital payments (current law would allow payments by prepaid health plans to also be counted). Requires certified public expenditures made by Hennepin County Medical Center

Section

for the period July 1, 2005 to June 30, 2007 to be considered Medicaid disproportionate share hospital payments. Specifies reporting requirements and requires the commissioner to apply for federal matching funds. Provides a retroactive effective date of July 1, 2005.

2 **Quarterly payment adjustment.** Amends § 256.969, subd. 27. Provides that the state share of payments to hospitals with specified rates of MA utilization is equal to federal reimbursements to the commissioner to reimburse expenditures reported under § 256B.199 (eliminates the requirement that these expenditures not be made by the state, to conform to the addition of GAMC payments under that section).

3 **Payments reported by governmental entities.** Amends § 256B.199. Effective July 1, 2007, requires the commissioner to apply for federal matching funds for GAMC fee-for-service inpatient hospital payments for services provided on or after July 1, 2007 to June 30, 2009. Provides that only GAMC expenditures that do not cause a hospital to exceed its federal disproportionate share limit, and do not cause the state to exceed its aggregate federal disproportionate share limit, may be considered. Also requires hospitals to provide any information necessary to obtain a federal Medicaid match for GAMC expenditures. Provides an immediate effective date.

4 **Implementation.** Requires the commissioner of human services to implement sections 1 to 3 on the earliest date for which the Centers for Medicare and Medicaid Services grants approval. Also requires the commissioner to alter dates for reporting certified public expenditures to reflect the approved effective date.