

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 570

**DATE:** February 26, 2007

**Version:** As introduced

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**Subject:** Long-Term Hospital Payment Rates

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### Overview

This bill exempts a long-term hospital from two public program payment reductions and also increases MA payments to the hospital by 13 percent.

#### Section

- 1**      **Payments.** Amends § 256.969, subd. 3a. Effective for admissions occurring on or after July 1, 2007, exempts a long-term hospital as designated by Medicare that is located in a city of the first class from the 5 percent reduction in MA and GAMC fee-for-service payment rates for inpatient services that took effect July 1, 2003, and from the 5 percent reduction in MA fee-for-service payment rates for inpatient services that took effect July 1, 2005.
- 2**      **Long-term hospital payment adjustment.** Amends § 256.969, by adding subd. 28. For admissions occurring on or after July 1, 2007, requires the commissioner to increase MA payments to a long-term hospital with an MA inpatient utilization rate of 17.95 percent of total patient days by 13 percent of the total of the operating and property payment rates. Provides that payments to managed care plans shall not reflect this increase and that the increase does not apply to GAMC. Requires payment under this subdivision to be reduced by any payments the hospital receives under subdivision 27 (which would provide payments to specified groups of hospitals based on their MA utilization rate, using as the state share federal reimbursement received by the commissioner to reimburse nonstate expenditures reported by certain counties and government-affiliated hospitals).
- 3**      **Appropriation.** Appropriates money from the general fund to the commissioner of human services for the biennium beginning July 1, 2007, for sections 1 and 2.