



General Assembly

**Substitute Bill No. 129**

*February Session, 2000*

***An Act Concerning Hospital Uncompensated Care And A Grant And Assistance Program For Nongovernmental Hospitals.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 19a-671 of the general statutes is repealed and the  
2 following is substituted in lieu thereof:

3 The Commissioner of Social Services is authorized to determine the  
4 amount of payments pursuant to sections 19a-670 to 19a-672, inclusive,  
5 as amended, for each hospital. The commissioner's determination shall  
6 be based on the advice of the office and the application of the  
7 calculation in this section. For each hospital the Office of Health Care  
8 Access shall calculate the amount of payments to be made pursuant to  
9 sections 19a-670 to 19a-672, inclusive, as amended, as follows:

10 (1) For the period April 1, 1994, to June 30, 1994, inclusive, and for  
11 the period July 1, 1994, to September 30, 1994, inclusive, the office shall  
12 calculate and advise the Commissioner of Social Services of the  
13 amount of payments to be made to each hospital as follows:

14 (A) Determine the amount of pool payments for the hospital,  
15 including grants approved pursuant to section 19a-168k, in the  
16 previously authorized budget authorization for the fiscal year  
17 commencing October 1, 1993.

18 (B) Calculate the sum of the result of subparagraph (A) of this

19 subdivision for all hospitals.

20 (C) Divide the result of subparagraph (A) of this subdivision by the  
21 result of subparagraph (B) of this subdivision.

22 (D) From the anticipated appropriation to the medical assistance  
23 disproportionate share-emergency assistance account made pursuant  
24 to sections 3-114i and 12-263a to 12-263e, inclusive, subdivisions (2)  
25 and (29) of section 12-407, subsection (1) of section 12-408, section 12-  
26 408a, subdivision (5) of section 12-412, subsection (1) of section 12-414  
27 and sections 19a-646, 19a-659 to 19a-662, inclusive, and 19a-666 to 19a-  
28 680, inclusive, for the quarter subtract the amount of any additional  
29 medical assistance payments made to hospitals pursuant to any  
30 resolution of or court order entered in any civil action pending on  
31 April 1, 1994, in the United States District Court for the district of  
32 Connecticut, and also subtract the amount of any emergency assistance  
33 to families payments projected by the office to be made to hospitals in  
34 the quarter.

35 (E) The disproportionate share payment shall be the result of  
36 subparagraph (D) of this subdivision multiplied by the result of  
37 subparagraph (C) of this subdivision.

38 (2) For the fiscal year commencing October 1, 1994, and subsequent  
39 fiscal years, the interim payment shall be calculated as follows for each  
40 hospital:

41 (A) For each hospital determine the amount of the medical  
42 assistance underpayment determined pursuant to section 19a-659, plus  
43 the [authorized] actual amount of uncompensated care including  
44 emergency assistance to families determined pursuant to section 19a-  
45 659, less any amount of uncompensated care determined by the  
46 Department of Social Services to be due to a failure of the hospital to  
47 enroll patients for emergency assistance to families, plus the amount of  
48 any grants authorized pursuant to the authority of section 19a-168k.

49 (B) Calculate the sum of the result of subparagraph (A) of this

50 subdivision for all hospitals.

51 (C) Divide the result of subparagraph (A) of this subdivision by the  
52 result of subparagraph (B) of this subdivision.

53 (D) From the anticipated appropriation made to the medical  
54 assistance disproportionate share-emergency assistance account  
55 pursuant to sections 3-114i and 12-263a to 12-263e, inclusive, as  
56 amended, subdivisions (2) and (29) of section 12-407, as amended,  
57 subsection (1) of section 12-408, as amended, section 12-408a,  
58 subdivision (5) of section 12-412, subsection (1) of section 12-414 and  
59 sections 19a-646, 19a-659 to 19a-662, inclusive, and 19a-666 to 19a-680,  
60 inclusive, as amended, for the fiscal year, subtract the amount of any  
61 additional medical assistance payments made to hospitals pursuant to  
62 any resolution of or court order entered in any civil action pending on  
63 April 1, 1994, in the United States District Court for the district of  
64 Connecticut, and also subtract any emergency assistance to families  
65 payments projected by the office to be made to the hospitals for the  
66 year.

67 (E) The disproportionate share payment shall be the result of  
68 subparagraph (D) of this subdivision multiplied by the result of  
69 subparagraph (C) of this subdivision.

70 Sec. 2. Section 40 of public act 99-2 of the June special session is  
71 repealed and the following is substituted in lieu thereof:

72 (a) The Office of Health Care Access, in consultation with the Office  
73 of Policy and Management, may provide [loans to] grants, technical  
74 assistance or consultation services, or any combination thereof, to one  
75 or more nongovernmental acute care general hospitals as permitted by  
76 this section. Such grants, technical assistance or consultation services  
77 shall be consistent with applicable federal disproportionate share  
78 regulations, as from time to time amended.

79 (b) [Loans] Grants, technical assistance or consultation services, or  
80 any combination thereof, provided under [the provisions of] this

81 section may be made to assist [an] a nongovernmental acute care  
82 general hospital to develop and implement a plan to achieve financial  
83 stability and assure the delivery of appropriate health care services in  
84 the service area of [the hospital seeking a loan under this program. The  
85 maximum term of any loan authorized pursuant to this section shall  
86 not exceed five years] such hospital, or to assist a nongovernmental  
87 acute care general hospital in determining strategies, goals and plans  
88 to ensure its financial viability or stability. Any such hospital seeking  
89 such [loan] grants, technical assistance or consultation services shall  
90 prepare and submit to the Office of Health Care Access a plan that  
91 includes at least the following: (1) A statement of the [facility's]  
92 hospital's current projections of its finances for the [term of the  
93 proposed loan] current and the next three fiscal years; (2) identification  
94 of the major financial issues which effect the financial stability of the  
95 hospital; (3) the steps proposed to study or improve the financial status  
96 of the hospital and eliminate ongoing operating losses; (4) plans to  
97 study or change the mix of services provided by the hospital, which  
98 may include transition to an alternative licensure category; and (5)  
99 other related elements as determined by the Office of Health Care  
100 Access. Such plan shall clearly identify the amount, value or type of  
101 the [loan] grant, technical assistance or consultation services, or  
102 combination thereof, requested. Any [loans originated by the state  
103 pursuant to this act shall bear interest at a rate agreed to] grants,  
104 technical assistance or consultation services, or any combination  
105 thereof, provided under this section shall be determined by the  
106 Secretary of the Office of Policy and Management [and which will] not  
107 to jeopardize the federal matching payments under the medical  
108 assistance program and the emergency assistance to families program  
109 as determined by the Office of Health Care Access or the Department  
110 of Social Services in consultation with the Office of Policy and  
111 Management. [The hospital's proposed financial plan must include a  
112 plan to repay the loan with interest within five years of initiation.]

113 (c) There is established a [non-lapsing] nonlapsing account, from  
114 which [loans] grants, purchases of services of any type or

115 reimbursement of state costs for agency services deemed necessary by  
116 the Office of Health Care Access to assist one or more  
117 nongovernmental acute care general hospitals under this section shall  
118 be made. [Upon receipt of repayment of some or all of said loans, such  
119 funds shall be deposited in the General Fund.]

120 (d) The submission of [the] a proposed plan by the hospital under  
121 subsection (b) of this section may be considered a letter of intent for the  
122 purposes of any certificate of need which may be required to change  
123 the [facility's] hospital's service offering.

124 (e) Upon review and approval of the [financial viability] probable  
125 significant benefit of a hospital's submitted plan, the Office of Health  
126 Care Access may recommend that a [loan] grant be awarded and issue  
127 such [loan] grant, or may provide or contract with one or more  
128 consultants to provide technical or other assistance or consultation  
129 services, or may provide any combination of such grant and assistance  
130 that the office deems necessary or advisable.

131 Sec. 3. The unexpended balance of funds appropriated to the Office  
132 of Health Care Access under special act 99-10 for the purposes of a  
133 distressed hospitals loan program shall be transferred to the hospital  
134 grant and assistance program established pursuant to section 40 of  
135 public act 99-2 of the June special session, as amended by this act.

136 Sec. 4. This act shall take effect July 1, 2000.

**PH Committee Vote:** Yea 22 Nay 0 JFS C/R APP

**APP Committee Vote:** Yea 50 Nay 0 JF