



General Assembly

Substitute Bill No. 5559

February Session, 2002

AN ACT INCREASING MEDICAID REIMBURSEMENT FOR HOME HEALTH CARE AND CREATING A DISTRESS FUND FOR HOME HEALTH CARE AGENCIES.

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

1 Section 1. Section 17b-242 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2002*):

3 (a) The Department of Social Services shall determine the rates to be
4 paid to home health care agencies and homemaker-home health aide
5 agencies by the state or any town in the state for persons aided or
6 cared for by the state or any such town. For the period from February
7 1, 1991, to January 31, 1992, inclusive, payment for each service to the
8 state shall be based upon the rate for such service as determined by the
9 Office of Health Care Access, except that for those providers whose
10 Medicaid rates for the year ending January 31, 1991, exceed the median
11 rate, no increase shall be allowed. For those providers whose rates for
12 the year ending January 31, 1991, are below the median rate, increases
13 shall not exceed the lower of the prior rate increased by the most
14 recent annual increase in the consumer price index for urban
15 consumers or the median rate. In no case shall any such rate exceed the
16 eightieth percentile of rates in effect January 31, 1991, nor shall any rate
17 exceed the charge to the general public for similar services. Rates
18 effective February 1, 1992, shall be based upon rates as determined by
19 the Office of Health Care Access, except that increases shall not exceed

20 the prior year's rate increased by the most recent annual increase in the
21 consumer price index for urban consumers and rates effective
22 February 1, 1992, shall remain in effect through June 30, 1993. Rates
23 effective July 1, 1993, shall be based upon rates as determined by the
24 Office of Health Care Access pursuant to the provisions of subsection
25 (b) of section 19a-635, except if the Medicaid rates for any service for
26 the period ending June 30, 1993, exceed the median rate for such
27 service, the increase effective July 1, 1993, shall not exceed one per
28 cent. If the Medicaid rate for any service for the period ending June 30,
29 1993, is below the median rate, the increase effective July 1, 1993, shall
30 not exceed the lower of the prior rate increased by one and one-half
31 times the most recent annual increase in the consumer price index for
32 urban consumers or the median rate plus one per cent. The
33 Commissioner of Social Services shall establish a fee schedule for home
34 health services to be effective on and after July 1, 1994. The
35 commissioner may annually increase any fee in the fee schedule based
36 on an increase in the cost of services. The commissioner shall increase
37 the fee schedule for home health services provided under the
38 Connecticut home-care program for the elderly established under
39 section 17b-342, as amended, effective July 1, 2000, by two per cent
40 over the fee schedule for home health services for the previous year.
41 The commissioner shall increase the fee schedule for home health care
42 agencies and homemaker-home health aide agencies provided under
43 Medicaid, effective July 1, 2002, by twelve per cent over the fee
44 schedule for such services for the previous year. Such agencies shall
45 provide a corresponding twelve per cent increase to direct care
46 employees. The commissioner may increase any fee payable to a home
47 health care agency or homemaker-home health aide agency upon the
48 application of such an agency evidencing extraordinary costs related to
49 (1) serving persons with AIDS; (2) high-risk maternal and child health
50 care; (3) escort services; or (4) extended hour services. In no case shall
51 any rate or fee exceed the charge to the general public for similar
52 services. A home health care agency or homemaker-home health aide
53 agency which, due to any material change in circumstances, is
54 aggrieved by a rate determined pursuant to this subsection may,

55 within ten days of receipt of written notice of such rate from the
56 Commissioner of Social Services, request in writing a hearing on all
57 items of aggrievement. The commissioner shall, upon the receipt of all
58 documentation necessary to evaluate the request, determine whether
59 there has been such a change in circumstances and shall conduct a
60 hearing if appropriate. The Commissioner of Social Services shall
61 adopt regulations, in accordance with chapter 54, to implement the
62 provisions of this subsection. The commissioner may implement
63 policies and procedures to carry out the provisions of this subsection
64 while in the process of adopting regulations, provided notice of intent
65 to adopt the regulations is published in the Connecticut Law Journal
66 within twenty days of implementing the policies and procedures. Such
67 policies and procedures shall be valid for not longer than nine months.

68 (b) The Department of Social Services shall monitor the rates
69 charged by home health care agencies and homemaker-home health
70 aide agencies. Such agencies shall file annual cost reports and service
71 charge information with the department.

72 (c) The Commissioner of Social Services shall establish a separate
73 Distress Fund for home health care agencies and homemaker-home
74 health aide agencies experiencing financial distress due to servicing a
75 disproportionate share of Medicaid patients. Any such agency whose
76 visits consist of no less than fifteen per cent Medicaid visits may apply
77 to the commissioner for such distress funds, which shall be
78 administered at the discretion of the commissioner.

79 (d) Any home health care agency or homemaker-home health aide
80 agency which is aggrieved by a decision of the commissioner
81 concerning the administration of the Distress Fund created by
82 subsection (c) of this section or by any decision of the commissioner
83 concerning a reimbursement for Medicaid services or the fees or rate
84 thereof may request a hearing in accordance with sections 4-177 to 4-
85 181, inclusive.

86 (e) Not less than twenty per cent of the amount of any settlement or

87 judgment received by the state between January 1, 2002, and June 30,
88 2003, resulting from litigation filed by the state against The Centers for
89 Medicare and Medicaid Services concerning payments for home care
90 services for dually eligible patients shall be deposited into the Distress
91 Fund created by subsection (c) of this section and used in accordance
92 with said subsection.

93 Sec. 2. (*Effective July 1, 2002*) The sum of ____ dollars is appropriated
94 to the Department of Social Services, from the General Fund, for the
95 fiscal year ending June 30, 2003, for the Distress Fund established
96 pursuant to subsection (c) of section 17b-242 of the general statutes, as
97 amended by this act.

This act shall take effect as follows:	
Section 1	<i>July 1, 2002</i>
Sec. 2	<i>July 1, 2002</i>

HS *Joint Favorable Subst. C/R* APP