



# Senate

General Assembly

**File No. 321**

January Session, 2003

Senate Bill No. 975

*Senate, April 14, 2003*

The Committee on Human Services reported through SEN. HANDLEY of the 4th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

## **AN ACT CONCERNING ELIMINATION OF PAYMENT FOR ADMINISTRATIVELY NECESSARY DAYS.**

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

1 Section 1. Subsection (f) of section 17b-239 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective*  
3 *October 1, 2003*):

4 (f) [On and after] From October 1, 1984, to June 30, 2003, inclusive,  
5 the state shall pay to an acute care general hospital for the inpatient  
6 care of a patient who no longer requires acute care a rate determined  
7 by the following schedule: For the first seven days following  
8 certification that the patient no longer requires acute care the state  
9 shall pay the hospital at a rate of fifty per cent of the hospital's actual  
10 cost; for the second seven-day period following certification that the  
11 patient no longer requires acute care the state shall pay seventy-five  
12 per cent of the hospital's actual cost; for the third seven-day period  
13 following certification that the patient no longer requires acute care

14 and for any period of time thereafter, the state shall pay the hospital at  
15 a rate of one hundred per cent of the hospital's actual cost. On and  
16 after July 1, 1995, no payment shall be made by the state to an acute  
17 care general hospital for the inpatient care of a patient who no longer  
18 requires acute care and is eligible for Medicare unless the hospital does  
19 not obtain reimbursement from Medicare for that stay. On and after  
20 July 1, 2003, no payment shall be made by the state to an acute care  
21 general hospital for the inpatient care of a patient who no longer  
22 requires acute care.

This act shall take effect as follows:	
Section 1	<i>October 1, 2003</i>

**HS**      *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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**OFA Fiscal Note**

**State Impact:**

<b>Agency Affected</b>	<b>Fund-Type</b>	<b>FY 04 \$</b>	<b>FY 05 \$</b>
Department of Social Services	GF - Savings	Potential Minimal	Potential Minimal

**Municipal Impact:** None

**Explanation**

This bill prohibits the state from paying an acute general hospital for inpatient care for a patient who no longer requires an acute level of care. Currently, the Department of Social Services (DSS) may pay for such patients if there is no appropriate place to which to discharge the individual. However, the volume of such payments is extremely low. Therefore, this change will result in minimal savings, if any. This change will also ensure that DSS is in compliance with the federal Health Insurance Portability and Accountability Act.

**OLR Bill Analysis**

SB 975

***AN ACT CONCERNING ELIMINATION OF PAYMENT FOR ADMINISTRATIVELY NECESSARY DAYS*****SUMMARY:**

This bill prohibits the state, starting July 1, 2003, from paying an acute care general hospital for inpatient care of a patient who no longer requires acute care. Current law requires the state to pay 50% of the hospital's actual costs for the first 7 days, 75% for the next seven days, and 100% for the rest of the time a patient remains in the hospital after he no longer requires acute care. These situations can happen, for instance, if there is no appropriate available space in a nursing home or other facility to which a patient may be discharged. But the law forbids these payments for Medicare patients unless the hospital receives no reimbursement from Medicare.

EFFECTIVE DATE: October 1, 2003

**COMMITTEE ACTION**

Human Services Committee

Joint Favorable Report

Yea 18 Nay 0