



House of Representatives

General Assembly

File No. 288

January Session, 2007

Substitute House Bill No. 6646

House of Representatives, April 3, 2007

The Committee on Human Services reported through REP. VILLANO of the 91st Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING MEDICAID BILLING PRACTICES FOR FEDERALLY QUALIFIED HEALTH CENTERS.

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

1 Section 1. Section 17b-245b of the general statutes is repealed and
2 the following is substituted in lieu thereof (*Effective July 1, 2007*):

3 The Commissioner of Social Services shall, consistent with federal
4 law, make changes to the cost-based reimbursement methodology in
5 the Medicaid program for federally qualified health centers. To the
6 extent permitted by federal law, the commissioner may reimburse a
7 federally qualified health center under the Medicaid program for
8 multiple medical, behavioral health or dental services provided to an
9 individual during the course of a calendar day, irrespective of the type
10 of service provided. On or before [March 1, 2004] January 1, 2008, the
11 commissioner shall report to the joint standing committees of the
12 General Assembly having cognizance of matters relating to
13 appropriations and the budgets of state agencies and human services
14 on the status of the changes to the cost-based reimbursement

15 methodology.

16 Sec. 2. Section 17b-245a of the general statutes is repealed and the
17 following is substituted in lieu thereof (*Effective July 1, 2007*):

18 [On and after April 1, 1996, in the determination of rates for
19 federally qualified health centers, the]

20 (a) The Commissioner of Social Services shall apply Medicare
21 productivity standards and a maximum allowable per visit cost of one
22 hundred fifteen per cent of the median cost per visit when determining
23 rates for a federally qualified health center.

24 (b) A federally qualified health center may, in accordance with
25 administrative procedures established by the department, petition the
26 commissioner not more than once in any fiscal year for an adjusted
27 reimbursement rate under the Medicaid program.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2007</i>	17b-245b
Sec. 2	<i>July 1, 2007</i>	17b-245a

HS *Joint Favorable Subst.*

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 chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
Department of Social Services	GF - Cost	Potential	Potential

Municipal Impact: None

Explanation

This bill allows the Department of Social Services (DSS) to reimburse federally qualified health centers (FQHC's) for multiple services provided in the same day. Should DSS choose to allow this billing, the Medicaid program may realize increased utilization, and subsequently, increased costs. The extent of the potential increased utilization is not known.

The bill also allows an FQHC to petition DSS for a Medicaid rate adjustment once per fiscal year. Currently, Medicaid FQHC rates are adjusted annually. Should DSS accept such petitions, it may result in more frequent rate increases, and thus increased Medicaid costs. The extent of these potential increased costs is not known.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis

sHB 6646

***AN ACT CONCERNING MEDICAID BILLING PRACTICES FOR
FEDERALLY QUALIFIED HEALTH CENTERS.***

SUMMARY:

The bill allows the Department of Social Services (DSS) commissioner, to the extent permitted by federal law, to reimburse federally qualified health centers (FQHCs) under the Medicaid program for multiple medical, behavioral health, or dental services provided to a patient in the same day, regardless of the type of service provided. Currently, DSS will reimburse for one medical, one mental health, and one dental visit per day.

A 2003 law (PA 03-3, JSS) directed DSS to make changes in the Medicaid reimbursement methodology for FQHCs. The law also required the commissioner to file a status report with the Appropriations and Human Services committees by March 1, 2004. The bill extends the deadline to January 1, 2008.

Finally, it allows an FQHC, in accordance with administrative procedures the department establishes, to petition the commissioner not more than once in any fiscal year for an adjusted reimbursement rate under the Medicaid program. Currently FQHCs receive an automatic annual adjustment. This new authority for FQHCs to petition for an adjustment once a year would presumably be in addition to the automatic annual adjustment.

It also makes a technical change.

EFFECTIVE DATE: July 1, 2007

BACKGROUND

FQHCs

FQHCs are facilities that provide health care services to the uninsured and underserved. They are federally designated public or nonprofit, consumer-directed corporations that provide comprehensive primary and preventive care to this population. They can receive federal and state funding and are qualified to receive Medicaid and Medicare reimbursement as well as federal Public Health Service grants. They must meet federal standards related to quality of care, services, and costs. In Connecticut, they also serve enrollees in the state-funded State-Administered General Assistance medical program.

Related Bill

HB 7375 makes other changes in reimbursement for FQHCs, among other programs.

COMMITTEE ACTION

Human Services Committee

Joint Favorable Substitute

Yea 17 Nay 0 (03/20/2007)