
OLR Bill Analysis

sHB 5440 (as amended by House "A")*

AN ACT CONCERNING MEDICAID REIMBURSEMENT FOR EMERGENCY DEPARTMENT PHYSICIANS.

SUMMARY:

This bill allows, under certain circumstances, an emergency department physician to (1) enroll separately as a Medicaid provider and (2) qualify for direct reimbursement for professional services he or she provides in a hospital emergency department to a Medicaid recipient. These include services provided on the same day the recipient is admitted to the hospital. These provisions apply on and after January 1, 2015 and concurrent with the Department of Social Services (DSS) implementing a diagnosis-related group (DRG) method of reimbursing hospitals for serving Medicaid recipients.

The bill requires the DSS commissioner to pay these physicians the Medicaid rate for physicians under the physician fee schedule in effect at that time. If the commissioner determines that paying a physician under this provision increases the state's cost, the commissioner must adjust the physician's rates to ensure budget neutrality. The commissioner must do this in consultation with the Connecticut Hospital Association and the Connecticut College of Emergency Physicians.

If the commissioner cannot implement these provisions by January 1, 2015, he must notify the Human Services and Appropriations committees at least 35 days before that date (November 27, 2014) that he cannot do so. The notice must include the reasons why DSS cannot implement the provision by the deadline and the date by which it will be able to do so.

By law, the commissioner may implement policies and procedures regarding Medicaid hospital rates while adopting the policies and

procedures as regulations. The bill extends this provision to include the emergency department physician rates. Under current law, to use this provision, the commissioner must publish notice of intent to adopt the regulations in the *Connecticut Law Journal* no later than 20 days after the date of implementation. The bill instead requires DSS to (1) submit the proposed policy electronically to the secretary of the state for online posting, (2) post the policy on its web site, and (3) print notice of intent to adopt the regulation in the *Connecticut Law Journal* no later than 20 days after adopting the policy. The policy is valid until the final regulations go into effect. By law, beginning October 1, 2014, all updates of the DSS policies and procedures manual must be posted on the eRegulations System.

*House Amendment "A" (1) delays implementation of the physician payment provisions from July 1, 2014 to January 1, 2015 and requires that they be implemented concurrently with the DRG payment methodology; (2) adds the reporting requirement if the provisions cannot be implemented by January 1, 2015; (3) modifies the payment rate; and (4) eliminates a provision that barred the adjustment from affecting the rates paid to hospitals.

EFFECTIVE DATE: July 1, 2014

BACKGROUND

Diagnostic-Related Groups (DRGs)

Medicaid rates paid to acute care and children's hospitals must be based on DRGs established and periodically rebased by the DSS commissioner, provided DSS completes a fiscal analysis of the impact of this rate payment system on each hospital (CGS § 17b-239). A DRG is a statistical system of classifying inpatient stays into groups for the purposes of payment.

COMMITTEE ACTION

Human Services Committee

Joint Favorable Change of Reference
Yea 18 Nay 0 (03/11/2014)

Appropriations Committee

Joint Favorable

Yea 49 Nay 0 (04/01/2014)