



General Assembly

February Session, 2016

Raised Bill No. 106

LCO No. 1203



Referred to Committee on HUMAN SERVICES

Introduced by:
(HS)

**AN ACT CONCERNING A MEDICAID AMBULATORY PAYMENT
CLASSIFICATION SYSTEM FOR CERTAIN HOSPITAL SERVICES.**

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

1 Section 1. Subdivision (2) of subsection (d) of section 17b-239 of the
2 2016 supplement to the general statutes is repealed and the following
3 is substituted in lieu thereof (*Effective from passage*):

4 (2) On or after July 1, 2013, with the exception of publicly operated
5 psychiatric hospitals, hospitals shall be paid for outpatient and
6 emergency room [episodes of care] services based on prospective rates
7 established by the commissioner within available appropriations and
8 in accordance with [the Medicare Ambulatory Payment Classification]
9 an ambulatory payment classification system, [in conjunction with a
10 state conversion factor,] provided the Department of Social Services
11 completes a fiscal analysis of the impact of such rate payment system
12 on each hospital. The Commissioner of Social Services shall, in
13 accordance with the provisions of section 11-4a, file a report on the
14 results of the fiscal analysis not later than six months after
15 implementing the rate payment system with the joint standing

16 committees of the General Assembly having cognizance of matters
17 relating to human services and appropriations and the budgets of state
18 agencies. [The Medicare Ambulatory Payment Classification system
19 shall be augmented to provide payment for services not generally
20 covered under the Medicare Ambulatory Payment Classification
21 system, including, but not limited to, mammograms, durable medical
22 equipment, physical, occupational and speech therapy.] Nothing
23 contained in this subsection shall authorize a payment by the state for
24 such [episodes of care] services to any hospital in excess of the charges
25 made by such hospital for comparable services to the general public.
26 Effective upon implementation of the [Ambulatory Payment
27 Classification] ambulatory payment classification system, a covered
28 outpatient hospital service that [does not have an established Medicare
29 Ambulatory Payment Classification code] is not being reimbursed
30 using such ambulatory payment classification system shall be paid in
31 accordance with a fee schedule or an alternative payment
32 methodology, as determined by the commissioner. The commissioner
33 may, within available appropriations, establish a supplemental pool to
34 provide payments to offset losses incurred by publicly operated acute
35 care hospitals and acute care children's hospitals licensed by the
36 Department of Public Health as a result of the implementation of the
37 ambulatory payment classification system. Prior to the implementation
38 of the [Ambulatory Payment Classification] ambulatory payment
39 classification system, each hospital's charges shall be based on the
40 charge master in effect as of June 1, 2015. After implementation of such
41 system, annual increases in each hospital's charge master shall not
42 exceed, in the aggregate, the annual increase in the Medicare economic
43 index. [The Commissioner of Social Services shall establish a fee
44 schedule for outpatient hospital services to be effective on and after
45 January 1, 1995, and may annually modify such fee schedule if such
46 modification is needed to ensure that the conversion to an
47 administrative services organization is cost neutral to hospitals in the
48 aggregate and ensures patient access. Utilization may be a factor in
49 determining cost neutrality.]

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	17b-239(d)(2)

Statement of Purpose:

To allow for Medicaid-specific payments for certain hospital services by removing references to Medicare and to authorize a supplemental payment pool to offset losses that may be experienced by certain hospitals as a result of the new payment methodology.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]