

# Human Services Committee JOINT FAVORABLE REPORT

**Bill No.:** HB-5372

AN ACT CONCERNING MEDICAID FUNDING FOR BEDS RESERVED FOR CHRONIC DISEASE HOSPITAL PATIENTS WHO ARE TEMPORARILY

**Title:** TRANSFERRED TO ACUTE CARE HOSPITALS.

**Vote Date:** 3/19/2024

**Vote Action:** Joint Favorable Change of Reference to Appropriations

**PH Date:** 3/5/2024

**File No.:**

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## **SPONSORS OF BILL:**

Human Services Committee

## **REASONS FOR BILL:**

Patients who receive long-term care at chronic disease hospitals may need to receive treatment at acute care hospitals, either for diagnostic reasons or to receive follow-up medical care. Since patients can stay at chronic disease hospitals for months or even years at a time, their beds are either held by the hospital or given to another patient while they are away. However, if the hospital holds the bed for the patient's return, they may suffer financial consequences. If the bed is not held, the patient may lose their spot in the often-full chronic disease hospital. The purpose of this bill is to authorize Medicaid funding for beds reserved by chronic disease hospitals for patients who temporarily transfer to acute care hospitals for critical care. This would ensure that hospitals are not at a financial loss by holding beds for patients who temporarily transfer to an acute hospital, and patients do not lose their needed bed in the chronic disease hospital.

## **RESPONSE FROM ADMINISTRATION/AGENCY:**

**Department of Social Services (DSS), Commissioner, Andrea Barton Reeves:** opposes this bill stating that Medicaid expenditures will increase as it requires payment for services not currently covered. It is stated that these additional funds are not included in the enacted budget nor in the Governor's proposed budget. It is stated that the cost could be substantial depending upon the frequency with which patients at chronic disease hospitals are transferred to an acute care hospital for treatment.

## **NATURE AND SOURCES OF SUPPORT:**

**Hospital for Special Care (HFSC), President & Chief Executive Officer, Lynn Ricci;** supports this bill stating that it will help reduce HFSC's financial responsibility to cover the cost of Medicaid patient beds when they temporarily leave the care of HFSC to go to an acute care facility. It is stated that if a bed is not held by HFSC, the patient will remain at an acute care facility at a much higher cost. It is stated that during the FY24 YTD, a total of 783 patient day reimbursements were lost due to acute care hospitalizations resulting in a \$905,000 revenue loss to HFSC. It is also stated that a long-term care facility, such as a nursing home, receives Medicaid reimbursement to hold a patient's bed while in acute care. It is expressed that HFSC struggles to continue to support patient needs as 82% of the patient population at HFSC are Medicaid funded patients, the largest percentage in the state. Lastly, it is stated that the estimated annual fiscal impact of the proposed policy change is \$1.2; however, given the 50% federal match, the state impact is estimated at \$600,000 annually.

**NATURE AND SOURCES OF OPPOSITION:**

None expressed.

**Reported by: Jessica Elizondo**

**Date: 03/28/24**