

Joint Committee on Ways and Means

Carrier – House: Rep. Jenson
Carrier – Senate: Sen. Nelson

Revenue: No revenue impact

Fiscal: Fiscal statement issued

Action: Do Pass the A-Engrossed Measure with Amendments to Resolve Conflicts and Be Printed B-Engrossed

Vote: 20 – 0 – 2

House

Yeas: Buckley, D. Edwards, Galizio, Garrard, Gilman, Jenson, Kotek, Richardson, Shields, G. Smith

Nays:

Exc: C. Edwards, Nathanson

Senate

Yeas: Bates, Carter, Girod, Johnson, Monroe, Nelson, Verger, Walker, Whitsett, Winters

Nays:

Exc:

Prepared By: Kim To, Legislative Fiscal Office

Meeting Date: June 29, 2009

WHAT THE MEASURE DOES: The bill requires the Department of Human Services to (DHS) ensure that rural health clinics receive full wrap-around reimbursements within 45 days. Under current federal law, the Department reimburses rural health clinics on a quarterly basis for the difference between what they are paid by managed care health services organizations (MCO) and what they would have been paid had the rural clinic been reimbursed directly by the Department in accordance with the Medicaid Prospective Payment System encounter rate. These payments are typically made nine months in arrears of the date of services. This measure would require the Department to reduce this time from 9 months to 45 days for claims billed by rural health clinics on or after May 17, 2011.

EFFECT OF COMMITTEE AMENDMENT: Resolves conflicts.

BACKGROUND: The Division of Medical Assistance Programs (DMAP) is required by 42 USC 1396a(bb) to make supplemental payments to rural health clinics at least every four months for services they provide to managed care plan enrollees. The supplemental payments represent the difference, if any, between the payment received by the rural health clinic from the managed care plan, and all other payers, and the payment the clinic would have received through the Division's fee-for-service payment system. Senate Bill 37 requires the division to make those supplemental payments within 45 days of receiving a completed billing form.

Currently, DMAP processes supplemental payments quarterly and up to nine months in arrears. A clinic submits data no earlier than six months from the end of the reported quarter. The time lag is to ensure all other payers have reimbursed the rural health clinics before the division provides the final payment. It also complies with encounter submission requirements in the contracts with managed care plans. DMAP currently provides expedited reimbursements to six federally-qualified health centers and two rural health clinics. The Division provides an interim payment by allowing these providers to submit their claims 60 days after the end of the month. The Division then reimburses the clinics within 30 days.