

CHAPTER 2490

HOSPITAL DIRECTED PAYMENT PROGRAM

2490.1 Definitions.

2490.2 Hospital directed payment program.

2490.1 Definitions.

As used in [this chapter](#), unless the context otherwise requires:

1. “Centers for Medicare and Medicaid services” means the centers for Medicare and Medicaid services of the United States department of health and human services.
2. “Department” means the department of health and human services.
3. “Hospital” means a nonstate-owned hospital licensed by the state.
4. “Hospital directed payment program” means a program that provides a state directed payment to a hospital for inpatient and outpatient hospital services.
5. “State directed payment” means the same as defined in [42 C.F.R. §438.2](#).

[2025 Acts, ch 169, §40](#)

NEW section

2490.2 Hospital directed payment program.

1. Prior to the department administering a hospital directed payment program under [this chapter](#) for any specific fiscal year, the department shall submit any authorizing documentation necessary to the centers for Medicare and Medicaid services for approval. Upon receipt of approval from the centers for Medicare and Medicaid services, the department shall administer the hospital directed payment program during the specified fiscal year.

2. *a.* For the sole purpose of the hospital directed payment program, the department may impose an assessment on a hospital. The total amount of assessments collected by the department shall not exceed the amount necessary to fully fund the nonfederal share of the maximum state directed payment allowed under federal regulations.

b. The department shall establish requirements for timely payment of an assessment, and any penalties for late payment or nonpayment of an assessment. Any assessment imposed under [this section](#) shall constitute a debt due the state and may be collected by civil action under any method provided by law.

c. The department and a third-party administrator contracted with the department may collectively assess and collect an administrative fee of no more than four percent of the amount of each assessment imposed.

3. Any assessments and penalties collected under [this section](#) shall be used for the purposes of the hospital directed payment program.

4. *a.* The hospital directed payment program shall not be administered, an assessment shall not be imposed, and a hospital shall not be required to pay an assessment if federal financial participation is not available, or if the hospital directed payment program and imposition of an assessment are not approved by the centers for Medicare and Medicaid services.

b. If federal law or policy significantly impacts the hospital directed payment program as determined by the department, the department, in collaboration with stakeholders, may terminate the hospital directed payment program.

5. The department shall adopt rules pursuant to [chapter 17A](#) as necessary to administer [this chapter](#).

[2025 Acts, ch 169, §41](#)

NEW section