

**House File 2156 - Introduced**

HOUSE FILE 2156

BY HEATON

**A BILL FOR**

1 An Act relating to reimbursement for dually eligible Medicare  
2 and Medicaid beneficiaries receiving the Medicare hospice  
3 benefit in a nursing facility.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. DUALY ELIGIBLE MEDICARE AND MEDICAID  
2 BENEFICIARIES RECEIVING HOSPICE BENEFIT IN A NURSING FACILITY  
3 — OPTIONS FOR ELIMINATION OF PASS-THROUGH PAYMENT. The  
4 department of human services shall pursue options for the  
5 payment of the nursing facility room and board expenses for  
6 a dually eligible Medicare and Medicaid member receiving the  
7 Medicare hospice benefit, to allow Medicaid managed care  
8 organizations to reimburse the nursing facility directly  
9 for the room and board expenses rather than indirectly as  
10 a pass-through payment from the hospice services provider.  
11 The department of human services shall report all options  
12 identified to the chairpersons and ranking members of the joint  
13 appropriations subcommittee on health and human services, the  
14 legislative services agency, and the legislative caucus staffs  
15 on or before October 1, 2018.

16 EXPLANATION

17 The inclusion of this explanation does not constitute agreement with  
18 the explanation's substance by the members of the general assembly.

19 This bill requires the department of human services (DHS)  
20 to pursue options for the payment of the nursing facility room  
21 and board expenses for a dually eligible Medicare and Medicaid  
22 member receiving the Medicare hospice benefit, to allow  
23 Medicaid managed care organizations to reimburse the nursing  
24 facility directly for the room and board expenses rather  
25 than indirectly as a pass-through payment from the hospice  
26 services provider. DHS is required to report all options  
27 identified to the chairpersons and ranking members of the joint  
28 appropriations subcommittee on health and human services, the  
29 legislative services agency, and the legislative caucus staffs  
30 on or before October 1, 2018.

31 Currently, the Medicare hospice benefit covers the costs of  
32 palliative care for an individual who is terminally ill in the  
33 individual's home or in a nursing facility. Medicare does not  
34 have a long-term custodial nursing facility benefit, so that if  
35 an individual elects the Medicare hospice benefit in a nursing

1 facility, the individual's room and board are not covered by  
2 Medicare and the individual or a third-party payor must pay for  
3 the costs of the room and board. For those individuals dually  
4 eligible for Medicare and Medicaid who elect the Medicare  
5 hospice benefit, Medicare is financially responsible for the  
6 hospice care and the Medicaid program is the third-party payor  
7 responsible for the nursing facility room and board expense.  
8 For the nursing facility room and board care, the Medicaid  
9 program must provide for payment in an amount equal to at  
10 least 95 percent of the Medicaid daily nursing facility rate  
11 (the rate the state Medicaid program pays for nursing facility  
12 services furnished to an individual who has not elected to  
13 receive hospice care). Historically, the Medicaid program  
14 has paid the hospice provider for the nursing facility room  
15 and board expenses of dually eligible individuals who elect  
16 the hospice benefit, and the hospice provider has then passed  
17 through this payment to the nursing facility. The bill would  
18 require DHS to pursue options to instead allow Medicaid managed  
19 care organizations to pay the nursing facility directly for  
20 the nursing facility room and board costs, and eliminate the  
21 pass-through payment utilizing the hospice provider.