

Senate File 2309 - Introduced

SENATE FILE 2309
BY COMMITTEE ON HUMAN
RESOURCES

(SUCCESSOR TO SSB 3126)

(COMPANION TO HF 2309 BY
COMMITTEE ON HUMAN RESOURCES)

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, after consulting with affected
5 providers and stakeholders, shall pursue options for the
6 payment of the nursing facility room and board expenses for
7 a dually eligible Medicare and Medicaid member receiving the
8 Medicare hospice benefit, to allow Medicaid managed care
9 organizations and the department's fee-for-service Medicaid
10 payment system to reimburse the nursing facility directly
11 for the room and board expenses rather than indirectly as
12 a pass-through payment from the hospice services provider.
13 The department of human services shall report all options
14 identified to the chairpersons and ranking members of the joint
15 appropriations subcommittee on health and human services, the
16 legislative services agency, and the legislative caucus staffs
17 on or before October 1, 2018.

18 EXPLANATION

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

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

35 Currently, the Medicare hospice benefit covers the costs of

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