

House File 295 - Introduced

HOUSE FILE 295

BY FRY and HEDDENS

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 — ELIMINATION OF PASS-THROUGH PAYMENT.

4 1. The department of human services shall request federal
5 approval from the centers for Medicare and Medicaid services of
6 the United States department of health and human services for
7 a section 1115 demonstration waiver to allow for the payment
8 of the nursing facility room and board expenses for a dually
9 eligible Medicare and Medicaid member receiving the Medicare
10 hospice benefit, to allow Medicaid managed care organizations
11 and the Medicaid fee-for-service payment system to reimburse
12 the nursing facility directly for the room and board expenses
13 at ninety-five percent of the base rate rather than indirectly
14 as a pass-through payment from the hospice services provider.
15 The department of human services shall report receipt of
16 such approval to the chairpersons and ranking members of
17 the appropriations committees of the house and senate, the
18 co-chairpersons and ranking members of the joint appropriations
19 subcommittee on health and human services, and the legislative
20 services agency.

21 2. The department of human services shall adopt rules
22 pursuant to chapter 17A to administer this section and
23 specifically to allow Medicaid managed care organizations and
24 the department's fee-for-service Medicaid payment system to
25 reimburse a nursing facility directly for the room and board
26 expenses at ninety-five percent of the base rate as provided in
27 this section.

28 EXPLANATION

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

31 This bill requires the department of human services (DHS)
32 to request federal approval from the centers for Medicare and
33 Medicaid services of the United States department of health and
34 human services for a section 1115 demonstration waiver to allow
35 for the payment of the nursing facility room and board expenses

1 for a dually eligible Medicare and Medicaid member receiving
2 the Medicare hospice benefit, to allow Medicaid managed care
3 organizations (MCOs) and the Medicaid fee-for-service (FFS)
4 payment system to reimburse the nursing facility directly for
5 the room and board expenses at 95 percent of the base rate
6 rather than indirectly as a pass-through payment from the
7 hospice services provider. The bill requires DHS to report
8 receipt of such approval to the chairpersons and ranking
9 members of the appropriations committees of the house and
10 senate, the co-chairpersons and ranking members of the joint
11 appropriations subcommittee on health and human services,
12 and the legislative services agency. The bill requires DHS
13 to adopt administrative rules to administer the bill and
14 specifically to allow Medicaid MCOs and the department's
15 FFS Medicaid payment system to reimburse a nursing facility
16 directly for the room and board expenses at 95 percent of the
17 base rate as provided in the bill.

18 Currently, the Medicare hospice benefit covers the costs of
19 palliative care for an individual who is terminally ill in the
20 individual's home or in a nursing facility. Medicare does not
21 have a long-term custodial nursing facility benefit, so if an
22 individual elects the Medicare hospice benefit in a nursing
23 facility, the individual's room and board are not covered by
24 Medicare and the individual or a third-party payor must pay for
25 the costs of the room and board. For those individuals dually
26 eligible for Medicare and Medicaid who elect the Medicare
27 hospice benefit, Medicare is financially responsible for the
28 hospice care and the Medicaid program is the third-party payor
29 responsible for the nursing facility room and board expense.
30 For the nursing facility room and board care, the Medicaid
31 program must provide for payment in an amount equal to at least
32 95 percent of the Medicaid daily nursing facility base rate
33 (the rate the state Medicaid program pays for nursing facility
34 services furnished to an individual who has not elected to
35 receive hospice care). Historically, the Medicaid program

1 has paid the hospice provider for the nursing facility room
2 and board expenses of dually eligible individuals who elect
3 the hospice benefit, and the hospice provider has then passed
4 this payment on to the nursing facility under a contract with
5 the nursing facility. Current practice is for most hospice
6 providers to pay 100 percent of the nursing facility base rate
7 to the nursing facility.

8 Pursuant to 2018 Iowa Acts, chapter 1038, DHS was directed to
9 review the hospice benefit for dually eligible individuals in
10 a nursing facility and report options for elimination of the
11 pass-through payments to the chairperson and ranking members
12 of the joint appropriations subcommittee on health and human
13 services, the legislative service agency, and the legislative
14 caucus staffs on or before October 1, 2018. DHS submitted the
15 report that included four options. The bill reflects option
16 1 of the report which is budget neutral and would require DHS
17 to request federal approval to allow Medicaid managed care
18 organizations and the Medicaid fee-for-service payment system
19 to pay the nursing facility directly for the nursing facility
20 room and board costs, and eliminate the pass-through payment
21 utilizing the hospice provider.