Senate File 2280 - Introduced

SENATE FILE 2280
BY MATHIS and BROWN

A BILL FOR

An Act relating to reimbursement of hospitals for days awaiting placement through private insurance and the Medicaid program.

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

Section 1. NEW SECTION. **514C.2A Days awaiting placement in a hospital — reimbursement.**

1. For the purposes of this section:

a. "Days awaiting placement" means the days during which a covered individual no longer meets acute care criteria for stay in a hospital, has been verified to require placement in a lower-level facility which may not be immediately located, and is awaiting placement at the lower-level facility.

b. "Lower-level facility" means a facility that is able to provide adequate, available, and accessible services and supports, including but not limited to mental health services and supports, to meet the covered individual's needs as specified in the covered individual's discharge plan.

2. Notwithstanding the uniformity of treatment requirements of section 514C.6, a policy, contract, or plan providing for third-party payment or prepayment of health or medical expenses that provides hospital benefits shall not deny reimbursement for the continuation of all higher-level services, including but not limited to inpatient care, provided to a covered individual during a days awaiting placement period. Reimbursement shall be provided to a hospital for each day a covered individual remains in the care of the hospital while awaiting placement in a lower-level facility.

3. For a hospital to receive days awaiting placement reimbursement under this section, all of the following criteria must be met:

a. The covered individual has a diagnosed condition that required an acute inpatient level of care.

b. The covered individual no longer meets continued stay criteria for the acute inpatient level of care and requires placement in a lower-level facility, but barriers to implementation of the discharge plan exist that are beyond the control of the hospital.

c. The carrier as defined in section 513B.2 has authorized placement in the lower-level facility sought under the

discharge plan.

d. The hospital is making every reasonable effort to continue to actively work to identify resources to implement the discharge plan in a timely manner and documents the reasonable efforts taken.

4. This section applies to the following classes of third-party payment provider policies, contracts, or plans delivered, issued for delivery, continued, or renewed in this state on or after January 1, 2021:

a. Individual or group accident and sickness insurance providing coverage on an expense-incurred basis.

b. An individual or group hospital or medical service contract issued pursuant to chapter 509, 514, or 514A.

c. An individual or group health maintenance organization contract regulated under chapter 514B.

d. A plan established pursuant to chapter 509A for public employees.

5. This section shall not apply to accident-only, specified disease, short-term hospital or medical, hospital confinement indemnity, credit, dental, vision, Medicare supplement, long-term care, basic hospital and medical-surgical expense coverage as defined by the commissioner of insurance, disability income insurance coverage, coverage issued as a supplement to liability insurance, workers' compensation or similar insurance, or automobile medical payment insurance.

6. This section shall not apply to the medical assistance program pursuant to chapter 249A, including to a managed care organization acting pursuant to a contract with the department of human services to provide coverage to medical assistance program members, or to the hawk-i program pursuant to chapter 514I.

7. The commissioner of insurance may adopt rules pursuant to chapter 17A as necessary to administer this section.

Sec. 2. DAYS AWAITING PLACEMENT —— MEDICAID REIMBURSEMENT.

1. Under both fee-for-service and managed care

administration of the Medicaid program, a hospital shall not be denied reimbursement based on failure to meet medical necessity for the continuation of all higher-level services, including but not limited to inpatient care, provided to a Medicaid-eligible member during a days awaiting placement period. Reimbursement shall be provided to a hospital for each day a Medicaid-eligible member remains in the care of the hospital while awaiting placement in a lower-level facility.

2. For a hospital to receive days awaiting placement reimbursement under this section, all of the following criteria must be met:

a. The Medicaid-eligible member has a diagnosed condition that required an acute inpatient level of care.

b. The Medicaid-eligible member no longer meets continued stay criteria for the acute inpatient level of care and requires placement in a lower-level facility, but barriers to implementation of the discharge plan exist that are beyond the control of the hospital.

c. The department of human services or managed care organization has authorized placement in the lower-level facility sought under the discharge plan.

d. The hospital is making every reasonable effort to continue to actively work to identify resources to implement the discharge plan in a timely manner and documents the reasonable efforts taken. However, if the Medicaid-eligible member is covered through a managed care organization, the managed care organization, rather than the hospital, shall be responsible for identifying and obtaining the lower-level facility placement.

3. For the purposes of this section:

a. "Days awaiting placement" means the days during which a Medicaid-eligible member no longer meets acute care criteria for stay in a hospital, has been verified to require placement in a lower-level facility which may not be immediately located, and is awaiting placement at the lower-level facility.

b. "Lower-level facility" means a facility that is able to provide adequate, available, and accessible services and supports, including but not limited to mental health services and supports, to meet the Medicaid-eligible member's needs as specified in the member's discharge plan.

4. The department of human services shall adopt rules pursuant to chapter 17A to administer this section.

EXPLANATION

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

This bill relates to reimbursement for services provided by a hospital during a days awaiting placement period.

The bill provides that under private insurance and fee-for-service and managed care administration of Medicaid, a hospital shall not be denied reimbursement for the continuation of all higher-level services, including but not limited to inpatient care, provided to a covered individual or Medicaid-eligible member, respectively, during a days awaiting placement period. Reimbursement shall be provided to a hospital for each day a covered individual or Medicaid-eligible member remains in the care of the hospital while awaiting placement in a lower-level facility.

The bill defines "days awaiting placement" as the days during which a covered individual or Medicaid-eligible member no longer meets acute care criteria for stay in a hospital, has been verified to require placement in a lower-level facility which may not be immediately located, and is awaiting placement at the lower-level facility. "Lower-level facility" is defined as a facility that is able to provide adequate, available, and accessible services and supports, including but not limited to mental health services and supports, to meet a covered individual's or Medicaid-eligible member's needs as specified in the covered individual's or Medicaid-eligible member's discharge plan.

The bill provides the criteria that must be met by a hospital

to receive reimbursement and requires the department of human services and the commissioner or insurance, respectively, to adopt administrative rules to administer the bill.