

SENATE No. 552

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act Requiring an Analysis of Medicaid Home Health Rates.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Notwithstanding any law, rule or regulation to the contrary, the division
2 of medical assistance shall contract with an independent consultant, appointed and approved by
3 the secretary of administration and finance and by the joint committee on health care financing,
4 to conduct a study of community-based care and medicaid reimbursement rates paid to home
5 health agencies through the commonwealth. The study shall include the following:

6 (a) an analysis of the adequacy of community-based care for individuals who do not need
7 institutionalization;

8 (b) a review of any cost discrepancies between providing institutional and community-
9 based care; with recommendation that home health rates be reviews on an annual basis;

10 (c) an analysis of measures the commonwealth, through the division of medical
11 assistance, can take to provide equal access to community-based services as directed by federal
12 law;

(d) a review of medicaid reimbursement rates paid to home health agencies under the MassHealth program 114.3 CMR 3.00 and the Private Duty Nursing program 114.3 CMR 24.00 from fiscal years 1991 to 2001, inclusive;

(e) a comparison of medicaid rates paid in relation to costs incurred providing care for medicaid patients;

(f) an evaluation of the adequacy of adjustments in the medicaid rates compared with inflation and other factors impacting the adequacy of rates;

(g) a review and analysis of medicaid reimbursement rates paid compared with medicaid rates paid in other similar states;

(h) a review of the home health industry administrative costs including a review unfunded state and federal mandated compliance programs, the effects of inflation and other factors on costs, and factors affecting the recruitment and retention of nurses and home health aides in the Commonwealth;

(i) a review and analysis of the length of time it takes for home health agencies to receive medicaid reimbursement for patient care upon submission of an initial claim;

(j) a review of the practice of post-payment review and recoupment of claims under the state commercial third party liability programs operated by the benefits coordination unit of the division of medical assistance;

(k) an estimate of the aggregate costs of any recommended policy reforms or funding enhancements;

(i) a review of the current division of medical assistance policy of requiring Medicaid recipients to be homebound in order to receive Medicaid home health services. The independent consultant shall not have a financial interest in the home health agencies under review and shall consult with the division of medical assistance, the division of health care finance and policy, and various health care providers, physician organizations, organizations and other interested parties in conducting the study. Home health advisors shall include home health agency directors in academic and community settings, and shall represent a cross-section of the home health industry based on geography and specialty. The independent contractor shall file the initial findings of the study with the secretary of administration and finance, the clerks of the house of representatives and the senate, and the house and senate committees on ways and means and the joint committee on health care financing on or before November 1, 2010. The secretary shall submit a plan detailing the process for implementing the findings with the house and senate committee on ways and means and the joint committee on health care financing on or before January 31, 2010.