

# SENATE . . . . . No. 592

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## The Commonwealth of Massachusetts

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In the Year Two Thousand Nine  
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An Act Ensuring Fair and Reasonable Medicaid Payment Rates for Services Provided by Health Care Facilities Licensed to Provide Chronic Disease Hospital Services to Children and Adolescents..

*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: Section 13A of Chapter 118E of the Massachusetts General Laws, as  
2     appearing in the 2004 Official Edition, is hereby amended by inserting after the third paragraph  
3     the following paragraph:

4           For any hospital fiscal year commencing on or after October 1, 2007, the Commonwealth  
5     shall establish a new rate methodology through the division of healthcare finance and policy and  
6     the executive office of health and human services to cover the cost of care provided by any  
7     facility licensed by the department of public health as a chronic disease hospital providing  
8     services solely to children and adolescents, as follows: (1) The rate of reimbursement for any  
9     such facility shall be developed collaboratively through an agreement among the office of  
10    Medicaid, the division of healthcare finance and policy, and any such facility; (2) the  
11    reimbursement rate for any such facility shall incorporate the following components: (a)  
12    utilization of the reimbursement methodology used by the division and the Executive Office of  
13    Health and Human Services to determine payments for Medicaid disproportionate share

14 pediatric hospitals in effect in 2007 utilizing the most recently filed 403 cost report with the  
15 division and the payments received from Medicaid eligible patients for the base period; (b) a per  
16 diem rate for inpatient and a payment on account factor for outpatient shall be established which  
17 reimburses the full unrecovered cost, including capital; and (c) the rates shall be inflated over the  
18 base period by the applicable Medicare market basket inflation factors; and (3) notwithstanding  
19 any other provision of law, in no event will the rates of payment be lower than the rates in effect  
20 for such facility in the prior fiscal year .