Unofficial Copy **2001 Regular Session**
SB0680/237479/1

BY: Finance Committee

AMENDMENTS TO SENATE BILL NO. 680
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 3, strike "Supplemental Payment" and substitute "Cost Based Reimbursement"; and strike beginning with "requiring" in line 4 down through "Hygiene" in line 22 and substitute "repealing certain provisions of law that establish a process for providing certain supplemental payments to federally qualified health centers participating in the State Medical Assistance Program and require certain supplemental payments to federally qualified health centers to be reduced each year and to terminate in a certain year; requiring the Department of Health and Mental Hygiene to adopt certain regulations to ensure that federally qualified health centers are paid reasonable cost based reimbursement that is consistent with federal law; providing for the application of this Act; and generally relating to the State Medical Assistance Program and payment of federally qualified health centers".

On pages 1 and 2, strike in their entirety the lines beginning with line 23 on page 1 through line 1 on page 2, inclusive.

On page 2, in line 2, strike "and reenacting, with amendments,"; and strike in their entirety lines 12 and 13, inclusive.

AMENDMENT NO. 2

On page 2, strike beginning with "That" in line 15 down through the comma in line 18.

AMENDMENT NO. 3

On pages 2 through 5, strike in their entirety the lines beginning with line 21 on page 2 through line 23 on page 5, inclusive, and substitute:

"15-103.

[(e) (1) At least quarterly, the Department shall pay to a federally qualified health

(Over)

center the difference between the payment received by the center from a managed care organization for services provided to enrollees of the managed care organization and, as determined in accordance with paragraph (2) of this subsection, the reasonable cost to the center in providing those services.

(2) (i) The reasonable cost to a federally qualified health center in providing services to enrollees shall be a prospective rate that the Department, in consultation with federally qualified health centers, establishes by regulation.

(ii) Each federally qualified health center shall provide the Department with its enrollment data, encounter data, and cost reports to assist the Department in calculating:

1. The reasonable cost of providing services to enrollees; and

2. The difference between the payment received by the center from a managed care organization and the reasonable cost to the center in providing the services.

(3) (i) At the request of a federally qualified health center, the Department shall review the payments made to the center by a Medicaid managed care organization that has a contractual arrangement with the center to determine the difference between the payments made to the center and the reasonable cost to the center as determined in accordance with paragraph (2) of this subsection in providing services to enrollees of the managed care organization.

(ii) A federally qualified health center may make a request at any time for the Department to review the payments made to the center by a Medicaid managed care organization that has a contractual arrangement with the center.

(iii) The effective date for adjustments made in response to a request by a federally qualified health center shall be:

1. The date the Department receives the request; or

2. If the request is prompted by a change in the reimbursement practices of a Medicaid managed care organization, the date the managed care organization changed its reimbursement to the center, except that an adjustment under this item may not be retroactive

more than 120 days.

(iv) If a managed care organization payment to a center is less than the center's reasonable cost, as determined in accordance with paragraph (2) of this subsection, the Department shall set aside a portion of the capitation payment to the managed care organization for a supplemental payment to the center, in accordance with the provisions of this paragraph and paragraphs (1) and (2) of this subsection.

(4) In carrying out the payment requirements of this subsection, the Department:

(i) May not delegate responsibility for such payments to the managed care organization or any other entity; and

(ii) Shall be responsible for making such payments directly to the federally qualified health center.

(5) Payments under this subsection shall be reduced each year and shall end in fiscal year 2004.]

(E) BY REGULATION, THE DEPARTMENT SHALL ADOPT A METHODOLOGY TO ENSURE THAT FEDERALLY QUALIFIED HEALTH CENTERS ARE PAID REASONABLE COST BASED REIMBURSEMENT THAT IS CONSISTENT WITH FEDERAL LAW.".

On page 5, in line 24, strike "6" and substitute "2"; and in lines 24 and 25, strike beginning with ", subject" in line 24 down through "Act," in line 25.

(Over)