

By Mr. Ruane of Salem, petition of J. Michael Ruane relative to equitable and cost efficient establishment of public assistance rates for chronic disease hospitals. Health Care.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty-Eight.

AN ACT PROVIDING FOR THE EQUITABLE AND COST EFFICIENT ESTABLISHMENT OF PUBLIC ASSISTANCE RATES FOR CHRONIC DISEASE HOSPITALS.

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 thirty-two of chapter 6A of the General Laws, as
- 2 appearing in the 1984 Official Edition is hereby further amended
- 3 by adding the following after the tenth paragraph: —
- 4 In establishing rates of payment for hospitals licensed by the
- 5 department of public health as chronic disease and/or rehabilita-
- 6 tion hospitals and hospitals operated by the commonwealth which
- 7 provide such care, the commission shall establish rates of pay-
- 8 ment, including any administratively necessary day rates, which
- 9 meet the costs which must be incurred by efficiently and
- 10 economically operated facilities in order to provide care and serv-
- 11 ices in conformity with applicable quality and safety standards.
- 12 Such rates as may be established from time to time for payment
- 13 of administratively necessary days shall meet the efficiently
- 14 incurred costs of each hospital providing such care. In the event
- 15 the Commission does establish administratively necessary day
- 16 rates, it shall also establish, and separately calculate, rates of pay-
- 17 ment for other public assistance patients so that each rate of pay-
- 18 ment meets costs which are efficiently incurred for the patients
- 19 to whom they apply. Such administratively necessary day rates
- 20 for chronic disease hospitals as may be established from time to
- 21 time shall only apply to patients for whom medically necessary
- 22 care is, in fact, usually provided to public assistance recipients

23 admitted to non-hospital facilities within a twenty-five mile radius
24 of the domicile of any individual recipient or his family. Deter-
25 minations as to the medical necessity of patient care pursuant to
26 this paragraph shall only be made by the hospital's utilization
27 review committee, and may only be subject to review by such peer
28 review and professional standards review organizations as are
29 established from time to time under the Social Security Act, 42
30 U.S.C. §1320C et seq. Notwithstanding any law to the contrary
31 if the commission does establish administratively necessary day
32 rates, it shall provide exemptions therefrom authorized by 42
33 U.S.C. §1395x(x) (G).