



HOUSE BILL 990: Medicaid Hospital Assessments Adjustments.

2021-2022 General Assembly

Committee:	House Finance. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	June 14, 2022
Introduced by:	Reps. Lambeth, Potts, K. Baker, White	Prepared by:	Jennifer Hillman
Analysis of:	Second Edition		Staff Attorney

OVERVIEW: *HB 990 would make technical updates to the modernized hospital assessments. HB 990 also would require the development and submission of a request for federal approval of a directed payment program, to be called the Healthcare Access Stabilization Program (HASP), to increase Medicaid reimbursements to hospitals. The nonfederal share of these increased reimbursements would be funded through a new hospital assessment to be enacted by the General Assembly upon approval of the submission. The increased reimbursements would be effective upon the enactment of the new hospital assessment.*

CURRENT LAW:

Section 9D.13A of S.L. 2021-180 added a new postpartum coverage component to the modernized hospital assessments under Article 7B of Chapter 108A of the General Statutes. The postpartum coverage component assesses hospitals for costs associated with the increase in postpartum Medicaid coverage required by Section 9D.13 of S.L. 2021-180. The postpartum coverage component is effective during the five-year period that the postpartum coverage is authorized by Section 9D.13 of S.L. 2021-180 and the American Rescue Plan Act, P.L. 117-2. Subsection (f) of Section 9D.13A directed work with stakeholders on necessary refinements to this component.

BILL ANALYSIS:

Section 1 would reduce the amount of assessment collected from hospitals for the postpartum component under **G.S. 108A-146.13(a)(2)** to account for the portion of the added postpartum costs that will be collected through the other components of the modernized hospital assessments. Because the postpartum coverage and the postpartum component took effect April 1, 2022, and this section would be effective October 1, 2022, **Section 1(c)** provides for a reconciliation of the April and July quarters in the quarter beginning October 1, 2022.

The change to the historical subcomponent in **G.S. 108A-146.13(a)(1)** is technical and is related to the recent change of ownership of Vidant Beaufort hospital.¹

Section 2 would express the General Assembly's intent to assess hospitals for the nonfederal share of the cost of a directed payment program to be called the Healthcare Access Stabilization Program (HASP). This program would be developed as follows:

¹ Additional details can be found in the [report](#) from the Department of Health and Human Services to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice dated February 25, 2022. The figure proposed in the report was indexed for the 2022-2023 fiscal year to produce the figure in the bill.

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- DHHS would consult with stakeholders to develop a preprint for submission to the Centers for Medicare and Medicaid Services (CMS) to request approval for increased reimbursement to hospitals.
- The submission would request the maximum reimbursement to hospitals that both (i) is permitted under federal regulations and (ii) ensures that the hospitals' reimbursement would not have to be reduced in the future if the State expanded Medicaid to the adult group and used hospital assessment proceeds to avoid the need for State General Fund appropriations for the nonfederal share of the new coverage.
- DHHS would submit the request to CMS within 60 days after the bill becomes law.
- The increased hospital reimbursements would take effect upon the General Assembly's enactment of the legislation necessary to fund the nonfederal share of the increased reimbursement that is not being funded through intergovernmental transfers. The General Assembly would intend to work with stakeholders and DHHS to develop a proposal for this language prior to the 2023 Session. The criteria for developing this language are in **Section 2(d)**. It would be the intent of the General Assembly to enact this legislation upon CMS's approval of the preprint submission.

EFFECTIVE DATE: Except as otherwise provided, the bill would be effective when it becomes law.