

# **One Hundred Fifth Legislature - First Session - 2017**

## **Introducer's Statement of Intent**

### **LB513**

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**Chairperson: Senator John Stinner**

**Committee: Appropriations**

**Date of Hearing: March 13, 2017**

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

Legislative Bill 513 is intended to direct the Department of Health and Human Services, Division of Medicaid and Long Term Care to provide for an increase in base rates paid for inpatient hospital services provided under a Medicaid prospective payment system. Generally, Nebraska hospitals with 25 or more beds are paid under a prospective payment system of reimbursement for services provided to Nebraska's Medicaid population.

In 2014, DHHS implemented a new prospective payment mechanism called the All-Patient Refined Diagnosis-Related Group (APR-DRG). At the time of the transition to the new system, Medicaid and the impacted hospitals agreed this conversion would be a budget neutral transition. However, the base rates adopted inadvertently lowered aggregate payments by 6.03%. While the Department indicated an internal fix would be made to correct the base rates to achieve budget neutrality as originally intended, that has not happened. Legislative Bill 513 would provide legislative direction for this correction so these providers of Medicaid services can be correctly paid for the services they provide.

**Principal Introducer:** \_\_\_\_\_

Senator Robert Hilkemann