

SPEAKER BARRETT: Senator Lynch.

SENATOR HANNIBAL: I am going to ask this question because I really don't know. In the narrative on this reimbursement for hospital rates, it is suggesting that we will be going away from our old way of establishing rates and that was looking at area prevailing rates, and rather go to a new kind of system that will set prescribed rates, a set rate. Now is that dealing with the providers or is that dealing with the hospital reimbursements?

SENATOR LYNCH: Which document are you quoting from, first of all?

SENATOR HANNIBAL: This is just a narrative we have in our books on the issue. I guess I am a little confused...

SENATOR LYNCH: Now the rest of us don't have it though. The Appropriations Committee has that document?

SENATOR HANNIBAL: That is right. No, no, this is not (interruption)...

SENATOR LYNCH: No, it sounds like a DRG, in other words, a diagnosis related groupings kind of a cost. That is where they, like President Reagan did when he established a system for Medicare with 460 some procedures. He identified in an appendectomy, the doc would get \$1,800 and the hospital would get \$1,200, they could stay no more than two or three days. So it sounds like what they are suggesting with the new procedure and formula there is to provide in the Medicaid program some kind of a DRG system for reimbursement, but you see we don't know that, but that is what it sounds like to me.

SENATOR HANNIBAL: Okay. I probably should talk with the fiscal analyst about it because it is a question I have had before, and I just thought maybe you'd have that answer for me. I shouldn't take the floor's time even on it. Thank you, Mr. Speaker.

SPEAKER BARRETT: Any other discussion? Seeing none, Senator Warner would you like to close?

SENATOR WARNER: I move its adoption.