

# SENATE NO. 668

## **AN ACT** REQUIRING AN ANALYSIS OF MEDICAID HOME HEALTH RATES

*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 1. Notwithstanding any law, rule or regulation to the contrary, the division  
2 of medical assistance shall contract with an independent consultant, appointed and  
3 approved by the secretary of administration and finance and by the joint committee on  
4 health care, to conduct a study of community-based care and medicaid reimbursement  
5 rates paid to home health agencies through the commonwealth. The study shall include  
6 the following:

7 (a) an analysis of the adequacy of community-based care for individuals who do not  
8 need institutionalization;

9 (b) a review of any cost discrepancies between providing institutional and community-  
10 based care; with recommendation that home health rates be reviews on an annual basis;

11 (c) an analysis of measures the commonwealth, through the division of medical  
12 assistance, can take to provide equal access to community-based services as directed by  
13 federal law;

14 (d) a review of medicaid reimbursement rates paid to home health agencies under the  
15 MassHealth program 114.3 CMR 3.00 and the Private Duty Nursing program 114.3  
16 CMR 24.00 from fiscal years 1991 to 2001, inclusive;

17 (e) a comparison of medicaid rates paid in relation to costs incurred providing care for  
18 medicaid patients;

19 (f) an evaluation of the adequacy of adjustments in the medicaid rates compared with  
20 inflation and other factors impacting the adequacy of rates;

21 (g) a review and analysis of medicaid reimbursement rates paid compared with medicaid  
22 rates paid in other similar states;

23 (h) a review of the home health industry administrative costs including a review  
24 unfunded state and federal mandated compliance programs, the effects of inflation and  
25 other factors on costs, and factors affecting the recruitment and retention of nurses and  
26 home health aides in the Commonwealth;

27 (i) a review and analysis of the length of time it takes for home health agencies to  
28 receive medicaid reimbursement for patient care upon submission of an initial claim;

29 (j) a review of the practice of post-payment review and recoupment of claims under the  
30 state commercial third party liability programs operated by the benefits coordination unit  
31 of the division of medical assistance;

32 (k) an estimate of the aggregate costs of any recommended policy reforms or funding  
33 enhancements;

34 (i) a review of the current division of medical assistance policy of requiring Medicaid  
35 recipients to be homebound in order to receive Medicaid home health services. The  
36 independent consultant shall not have a financial interest in the home health agencies  
37 under review and shall consult with the division of medical assistance, the division of  
38 health care finance and policy, and various health care providers, physician  
39 organizations, organizations and other interested parties in conducting the study. Home  
40 health advisors shall include home health agency directors in academic and community  
41 settings, and shall represent a cross-section of the home health industry based on  
42 geography and specialty. The independent contractor shall file the initial findings of the  
43 study with the secretary of administration and finance, the clerks of the house of  
44 representatives and the senate, and the house and senate committees on ways and means  
45 and the joint committee on health care on or before November 1, 2005. The secretary  
46 shall submit a plan detailing the process for implementing the findings with the house  
47 and senate committee on ways and means and the joint committee on health care  
48 financing on or before January 31, 2008.