

SENATE No. 552

The Commonwealth of Massachusetts

PRESENTED BY:

Moore, Richard (SEN)

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act Requiring an Analysis of Medicaid Home Health Rates

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Moore, Richard (SEN)	Worcester and Norfolk

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. S02369 OF .]

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

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 approved by
3 the secretary of administration and finance and by the joint committee on health care financing,
4 to conduct a study of community-based care and medicaid reimbursement rates paid to home
5 health agencies through the commonwealth. The study shall include the following:
- 6 (a) an analysis of the adequacy of community-based care for individuals who do not need
7 institutionalization;
- 8 (b) a review of any cost discrepancies between providing institutional and community-based
9 care; with recommendation that home health rates be reviews on an annual basis;
- 10 (c) an analysis of measures the commonwealth, through the division of medical assistance, can
11 take to provide equal access to community-based services as directed by federal law;

- 12 (d) a review of medicaid reimbursement rates paid to home health agencies under the
13 MassHealth program 114.3 CMR 3.00 and the Private Duty Nursing program 114.3 CMR 24.00
14 from fiscal years 1991 to 2001, inclusive;
- 15 (e) a comparison of medicaid rates paid in relation to costs incurred providing care for medicaid
16 patients;
- 17 (f) an evaluation of the adequacy of adjustments in the medicaid rates compared with inflation
18 and other factors impacting the adequacy of rates;
- 19 (g) a review and analysis of medicaid reimbursement rates paid compared with medicaid rates
20 paid in other similar states;
- 21 (h) a review of the home health industry administrative costs including a review unfunded state
22 and federal mandated compliance programs, the effects of inflation and other factors on costs,
23 and factors affecting the recruitment and retention of nurses and home health aides in the
24 Commonwealth;
- 25 (i) a review and analysis of the length of time it takes for home health agencies to receive
26 medicaid reimbursement for patient care upon submission of an initial claim;
- 27 (j) a review of the practice of post-payment review and recoupment of claims under the state
28 commercial third party liability programs operated by the benefits coordination unit of the
29 division of medical assistance;
- 30 (k) an estimate of the aggregate costs of any recommended policy reforms or funding
31 enhancements;

32 (i) a review of the current division of medical assistance policy of requiring Medicaid recipients
33 to be homebound in order to receive Medicaid home health services. The independent consultant
34 shall not have a financial interest in the home health agencies under review and shall consult
35 with the division of medical assistance, the division of health care finance and policy, and
36 various health care providers, physician organizations, organizations and other interested parties
37 in conducting the study. Home health advisors shall include home health agency directors in
38 academic and community settings, and shall represent a cross-section of the home health industry
39 based on geography and specialty. The independent contractor shall file the initial findings of the
40 study with the secretary of administration and finance, the clerks of the house of representatives
41 and the senate, and the house and senate committees on ways and means and the joint committee
42 on health care financing on or before November 1, 2010. The secretary shall submit a plan
43 detailing the process for implementing the findings with the house and senate committee on ways
44 and means and the joint committee on health care financing on or before January 31, 2010.