

HOUSE BILL 173

By Martin B

AN ACT to amend Tennessee Code Annotated, Title 63;
Title 68 and Title 71, Chapter 5, relative to hospital
reimbursement.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 71-5-161(d), is amended by designating the existing language as subdivision (d)(1) and adding the following new subdivision (d)(2):

(2)

(A) As used in this subdivision (d)(2):

(i) "Rural area" means an area that is not delineated as an urbanized area by the federal census bureau; and

(ii) "Rural hospital" means a hospital with no more than forty-nine (49) licensed beds, operating in a rural area.

(B) The minimum and maximum level for aggregate rates to rural hospitals for services to TennCare enrollees must be based on the percentages of each rural hospital's current FFY medicare reimbursement set forth in subdivision (d)(2)(C).

(C) For routine, nonspecialized inpatient services at rural hospitals, the minimum level of reimbursement is one hundred percent (100%) and the maximum level is one hundred twenty percent (120%).

(D) The director of TennCare may seek a federal waiver or other authorization the director deems necessary to implement subdivision (d)(2)(C), without requiring the expansion of medicaid.

SECTION 2. Tennessee Code Annotated, Section 71-5-161, is amended by deleting subsection (e) and substituting:

(e) The bureau shall publish the list of MS-DRGs included in each service category on its website, and the bureau shall update the list annually to reflect all changes as necessary. The bureau shall annually furnish an updated list of MS-DRGs directly to participating rural hospitals.

SECTION 3. This act takes effect upon becoming a law, the public welfare requiring it.