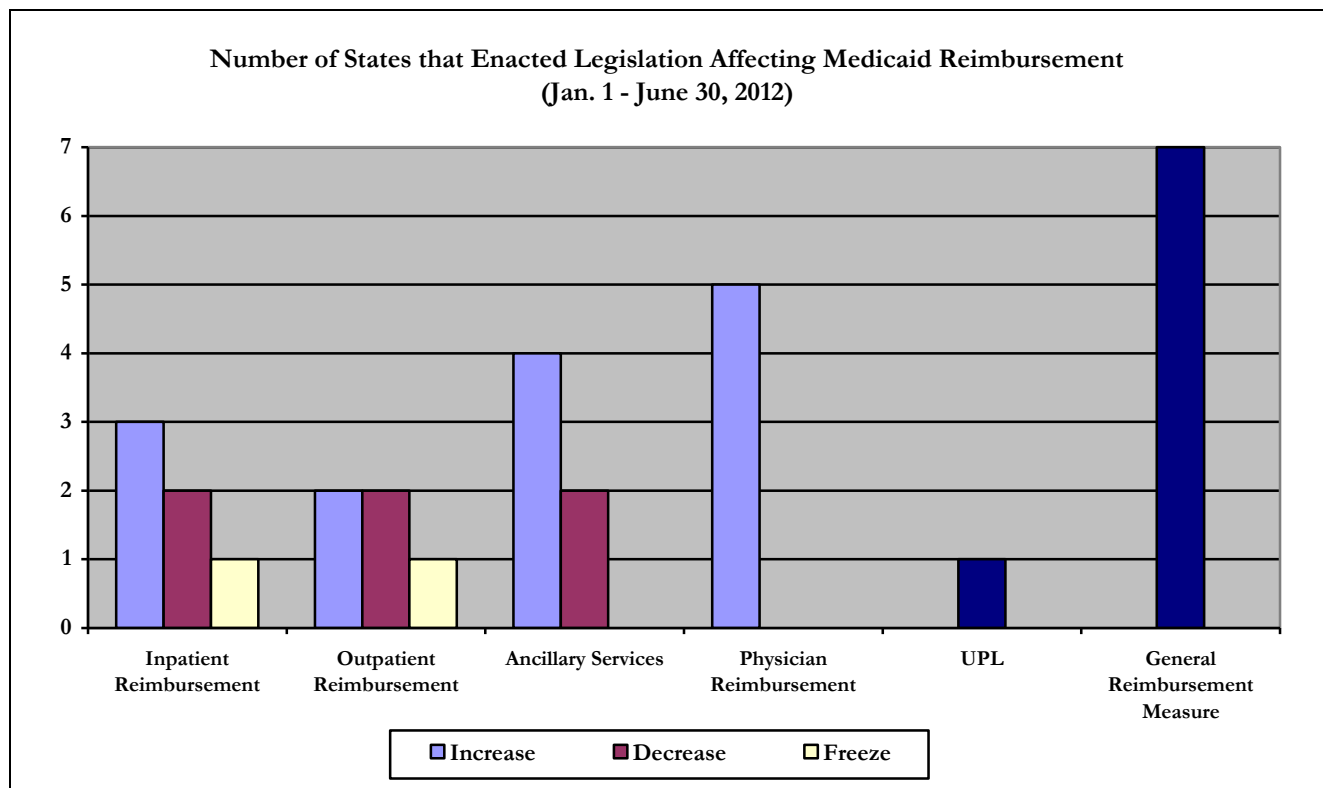


## Reimbursement for Medicaid Providers

Eleven states enacted legislation that affects Medicaid reimbursement rates for inpatient, outpatient, physician and/or ancillary services. Three states enacted reimbursement rate increases, two states decreased reimbursement rates and one state froze reimbursement rates for hospitals. Eight states enacted legislation that makes other changes to their reimbursement policies.



### Enacted Legislation Affecting Medicaid Reimbursement

State	Issue	Bill Number	Summary
AL	General reimbursement	H 433	Prohibits reimbursement reductions for providers who pay provider assessments that exceed 5 percent of their net patient

This chart is intended to illustrate trends in **enacted state legislation** that impacts children's health care and children's hospitals; the information provided in this document does not reflect all state actions on a selected issue.

	measure		revenue
<b>AL</b>	Physician increase	H 25a	Reverses Medicaid physician reimbursement reductions made in FY 2012
<b>AZ</b>	General reimbursement measure	H 2534	Continues prospective tiered per diem methodology for inpatient Medicaid reimbursement through Sept. 30, 2013 and authorizes the Medicaid agency to develop a new inpatient reimbursement methodology for FY 2014
<b>AZ</b>	<ul style="list-style-type: none"> <li>Physician increase</li> <li>Ancillary services increase</li> </ul>	S 1523	Increases reimbursement for behavioral health services by 2 percent
<b>AZ</b>	<ul style="list-style-type: none"> <li>Inpatient freeze</li> <li>Outpatient freeze</li> </ul>	S 1528	Continues a 5-percent reimbursement reduction for inpatient and outpatient services through FY 2013, and allows the state to not adjust outpatient rates for inflation for the contract year, beginning Oct. 1, 2012
<b>FL</b>	<ul style="list-style-type: none"> <li>Inpatient decrease</li> <li>Outpatient decrease</li> </ul>	H 5001	Reduces inpatient and outpatient reimbursement by 5.64 percent for all hospitals, except rural hospitals and children's specialty hospitals that meet a specified Medicaid patient volume
<b>GA</b>	<ul style="list-style-type: none"> <li>Physician increase</li> <li>Ancillary services increase</li> <li>General reimbursement measure</li> </ul>	H 742 <sup>1</sup>	Rescinds the 0.5 percent reimbursement cut enacted in FY 2012 budget that applied to all providers, except hospitals, skilled nursing facilities and home and community based-services. Increases provider rates to improve access for children of state employees who are newly-enrolled in CHIP.
<b>IL</b>	<ul style="list-style-type: none"> <li>Inpatient decrease</li> <li>Outpatient decrease</li> <li>Ancillary services decrease</li> <li>General reimbursement measure</li> </ul>	S 2840	Reduces hospital reimbursement by 3.5 percent, but exempts safety-net hospitals that meet a specified Medicaid and uninsured threshold and critical access hospitals; reduces reimbursement for all other providers, except physicians, dentists, and Federally-Qualified Health Centers, by 2.7 percent; allows for the implementation of All Patient Refined-Diagnosis Related Groups for inpatient services, beginning July 1, 2013 and Enhanced Ambulatory Patient Groupings for outpatient services, beginning Jan. 1, 2014
<b>LA</b>	UPL	S 371	Directs the state to seek federal approval for a Medicaid upper payment limit (UPL) mechanism to pay for outpatient behavioral health services for beneficiaries under age 21
<b>MD</b>	<ul style="list-style-type: none"> <li>Inpatient increase</li> <li>Outpatient increase</li> </ul>	S 1301a	Authorizes the state to establish a hospital fee, not to exceed 6 percent of the claim amount, on Medicaid claims paid to hospitals located in Washington, DC and to use a portion of the increased state revenues to support higher Medicaid

<sup>1</sup> These provisions were also included in the state's FY 2012 supplemental budget (GA H 741)

			reimbursement to hospitals located in Washington
<b>ME</b>	Ancillary services decrease	H 1339	Reduces reimbursement by 10 percent for podiatry and occupational and physical therapy services
<b>MI</b>	Physician increase	H 5365	Increases Medicaid reimbursement for OB/GYN physicians
<b>MS</b>	<ul style="list-style-type: none"> <li>• General reimbursement measure</li> <li>• Physician increase</li> <li>• Ancillary services increase</li> </ul>	H 421	Directs Medicaid to implement All Patient Refined-Diagnosis Related Groups for inpatient services and Ambulatory Patient Classification for outpatient hospital services; increases Medicaid reimbursement for services provided by physicians, nurse practitioners and physician assistants after normal working hours
<b>NY</b>	General reimbursement measure	A 9056	Creates a workgroup to make recommendations regarding Medicaid payment rates for pediatric providers who provide services for medically-fragile children
<b>OH</b>	General reimbursement measure	H 487	Requires the inclusion of quality factors and incentive payments in modifications of the hospital inpatient reimbursement methodology; requires the adoption of Diagnosis Related Groups for inpatient hospital reimbursement
<b>SD</b>	<ul style="list-style-type: none"> <li>• Inpatient increase</li> <li>• Outpatient increase</li> </ul>	S 192	Funds a one-year inpatient and outpatient reimbursement increase
<b>VA</b>	<ul style="list-style-type: none"> <li>• Inpatient increase</li> <li>• Ancillary services increase</li> </ul>	H 1301	Increases hospital inpatient reimbursement by 2.6 percent and personal care reimbursement under community-based Medicaid waiver programs by 1 percent