

SENATE FILE NO. SF0034

Hospital catastrophic care.

Sponsored by: Joint Labor, Health and Social Services
Interim Committee

A BILL

for

1 AN ACT relating to hospitals; providing for payments to
2 hospitals for unreimbursed catastrophic care, as specified;
3 providing for a study of unreimbursed catastrophic and
4 trauma care; specifying duties of the Wyoming health care
5 commission in conducting a study; requiring reports;
6 providing appropriations; and providing for an effective
7 date.

8

9 *Be It Enacted by the Legislature of the State of Wyoming:*

10

11 **Section 1.**

12

13 (a) As used in this act:

14

1 (i) "Actual costs" means direct, out-of-pocket
2 costs incurred to provide services, but does not include
3 overhead, depreciation or other indirect costs;

4
5 (ii) "Department" means the Wyoming department
6 of health;

7
8 (iii) "General hospital" means an establishment
9 in Wyoming with an organized medical staff, with permanent
10 facilities that include inpatient beds and an emergency
11 room or department that is available to treat emergencies
12 twenty-four (24) hours per day, and with medical services,
13 not limited to a single medical specialty or type of
14 illness, including physician services and continuous
15 nursing services, to provide diagnosis, treatment and
16 continuity of care for patients;

17
18 (iv) "Incident" means an admission, or related
19 series of admissions, both inpatient and outpatient, for an
20 individual patient within a one (1) year period to a single
21 hospital. Admissions of the same patient for causes not
22 directly related to an earlier admission shall be
23 considered a separate incident.

24

1 (b) General hospitals shall be reimbursed on a per
2 incident basis for one-half (1/2) of the unreimbursed
3 actual costs incurred, subject to the following:

4
5 (i) Incidents shall not be aggregated from one
6 hospital to another;

7
8 (ii) Reimbursement shall be available only for
9 expenses incurred during calendar year 2004 and during the
10 first three (3) months of calendar year 2005, except that
11 for the 2005 expenses, reimbursement shall be available
12 only if the first admission of the person for the incident
13 involved was in 2004;

14
15 (iii) Reimbursement shall be available for
16 unreimbursed actual costs in excess of ten thousand dollars
17 (\$10,000.00) per incident, and expenses incurred before
18 January 1, 2004, shall not be considered in determining
19 this level;

20
21 (iv) Any amounts received from or reasonably
22 expected to be received from insurance, the patient, or any
23 other source on behalf of the patient for expenses incurred
24 by the patient after January 1, 2004, and for the incident

1 shall be deducted from the actual costs before deducting
2 the ten thousand dollar (\$10,000.00) deductible provided by
3 paragraph (iii) of this subsection, but where a payment
4 plan for monthly or other periodic payments has been
5 established with the patient, or any person on behalf of
6 the patient, only those payments expected to be received in
7 the first year after the due date of the first bill sent to
8 the patient shall be considered;

9

10 (v) Requests for reimbursement may be submitted
11 to the health department for payment only after one hundred
12 eighty (180) days have elapsed from the date the bill for
13 the services rendered was sent to the patient or his
14 representative, and only after good faith efforts have been
15 made to collect the bill.

16

17 (c) The department shall be responsible for
18 administering this program on behalf of the state of
19 Wyoming. The department may contract with a fiscal agent
20 to make the actual payments and conduct any necessary
21 audits of reimbursement requests. Reimbursement requests
22 shall be made in a form and manner prescribed by the
23 department. The department or its agent on its behalf may

1 request any documentation it deems necessary to support any
2 request for reimbursement.

3

4 (d) All requests for reimbursement shall be submitted
5 no later than November 30, 2005.

6

7 (e) If during any month the department finds that the
8 reimbursement requests reasonably expected during the
9 following month are likely to exceed the appropriation
10 available, the department shall set the last day of that
11 following month as the cutoff date for the submission of
12 requests for reimbursement and shall prorate the payment of
13 reimbursement requests received during that following month
14 to assure that the expenditures do not exceed the
15 appropriation. If necessary to avoid exceeding the
16 appropriation, the department may prorate the payment of
17 expenditure requests received during the month the
18 determination is made.

19

20 (f) If, for a claim which has been submitted, the
21 general hospital receives further reimbursement on or in
22 behalf of the patient which was not part of a monthly
23 payment plan or was not already planned for in calculating
24 the ten thousand dollar (\$10,000.00) deductible, the

1 general hospital shall inform the department and one-half
2 (1/2) of the amount received shall be deducted from future
3 payments to the hospital. When no further payments are to
4 be made to the hospital under this act, the hospital shall
5 remit to the department any remaining balances from
6 reimbursements not deducted from payments. The department
7 shall deposit remittance from this source into the general
8 fund.

9

10 **Section 2.**

11

12 (a) The Wyoming health care commission with the
13 assistance of the department shall conduct a study of
14 unreimbursed catastrophic costs incurred by Wyoming
15 hospitals. The study shall:

16

17 (i) Identify the magnitude of the problem;

18

19 (ii) Determine the level of costs shifted to
20 private pay and private insurance customers;

21

22 (iii) Determine if access to services,
23 especially trauma services, is endangered for both paying
24 patients and patients unable to pay due to poverty;

1

2 (iv) Determine if reimbursement problems are
3 endangering implementation of an effective trauma care
4 system in Wyoming;

5

6 (v) Consider means and formulas for reimbursing
7 hospitals and other health care providers for unreimbursed
8 catastrophic care and unreimbursed trauma care;

9

10 (vi) Explore the cost feasibility of a state
11 funded catastrophic insurance policy to cover all Wyoming
12 citizens; and

13

14 (vii) Consider funding sources to meet any needs
15 identified by the study.

16

17 (b) The final report of the study shall be submitted
18 to the joint labor, health and social services interim
19 committee by October 1, 2004.

20

21 **Section 3. Appropriations.**

22

23 (a) There is appropriated to the department ten
24 million dollars (\$10,000,000.00) for the program set forth

1 in section 1 of this act and two hundred thousand dollars
2 (\$200,000.00) from the general fund to administer the
3 program. Three (3) temporary positions to expire no later
4 than December 31, 2005, are authorized for the department
5 to administer the program and assist in the study provided
6 by section 2 of this act.

7

8 (b) There is appropriated to the health care
9 commission one hundred fifty thousand dollars (\$150,000.00)
10 from the general fund to carry out the study authorized by
11 section 2 of this act.

12

13 **Section 4.** This act is effective immediately upon
14 completion of all acts necessary for a bill to become law
15 as provided by Article 4, Section 8 of the Wyoming
16 Constitution.

17

18

(END)