

State of Arkansas
91st General Assembly
Regular Session, 2017

As Engrossed: S3/6/17
A Bill

HOUSE BILL 1016

By: Representative Farrer

By: Senator K. Ingram

For An Act To Be Entitled

AN ACT TO CONVERT THE HOSPITAL REIMBURSEMENT SYSTEMS
UNDER THE ARKANSAS MEDICAID PROGRAM TO DIAGNOSIS-
RELATED GROUP METHODOLOGY; AND FOR OTHER PURPOSES.

Subtitle

TO CONVERT THE HOSPITAL REIMBURSEMENT
SYSTEMS UNDER THE ARKANSAS MEDICAID
PROGRAM TO DIAGNOSIS-RELATED GROUP
METHODOLOGY.

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

SECTION 1. Arkansas Code Title 20, Chapter 77, Subchapter 1, is amended to add an additional section to read as follows:

20-77-132. Diagnosis-related group methodology for hospitals.

(a) As used in this section, "diagnosis-related group methodology" means a system of classification of diagnoses and procedures based on the International Classification of Diseases, Tenth Revision, Clinical Modification, also known as ICD-10-CM, including without limitation:

- (1) The all-patient refined diagnosis-related groups system; and
- (2) The enhanced ambulatory procedure grouping system.

(b) To the extent possible, the Department of Human Services shall convert the hospital reimbursement systems under the Arkansas Medicaid Program to a diagnosis-related group methodology to allow more accurate classification of patient populations and description of mortality risks and severity of patient illness.



(c)(1) The department shall promulgate rules to implement this section.

(2) The rules adopted under subdivision (c)(1) of this section shall address:

(A) How supplemental payments to hospitals shall be considered;

(B) Whether funding for the transition from per diem reimbursement to diagnosis-related group methodology shall be provided to hospitals; and

(C) Whether certain types of hospital providers shall be exempt from the diagnosis-related group methodology.

(d)(1) The department, in coordination with the Arkansas Hospital Association, shall develop a plan for the conversion of the hospital reimbursement systems under the Arkansas Medicaid Program as described in subsection (b) of this section.

(2) The conversion plan shall:

(A) Include estimates of the impact of the conversion on all state and federal funds used for hospital payment, including without limitation any impact on critical-access hospitals; and

(B) Be submitted to the Legislative Council for review on or before January 1, 2018.

/s/Farrer

APPROVED: 03/16/2017