

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 208

Short Title: GPAC/DRG-Based Payment.

(Public)

Sponsors: Senators Martin of Guilford; and Blackmon.

Referred to: Government Performance Audit.

February 17, 1993

A BILL TO BE ENTITLED

AN ACT TO IMPLEMENT A RECOMMENDATION OF THE GOVERNMENT PERFORMANCE AUDIT COMMITTEE TO IMPLEMENT A DIAGNOSIS-RELATED GROUPS (DRG)-BASED MEDICAID REIMBURSEMENT SYSTEM.

The General Assembly of North Carolina enacts:

Section 1. Effective July 1, 1994, the Division of Medical Assistance, Department of Human Resources, shall implement a Diagnosis-Related Groups (DRG)-Based Medicaid reimbursement system that uses peer groups to establish base payment amounts for hospitals.

Sec. 2. There is appropriated from the General Fund to the Division of Medical Assistance, Department of Human Resources, the sum of three hundred sixty-two thousand five hundred dollars (\$362,500) for the 1993-94 fiscal year for administrative costs incurred in implementing this act.

Sec. 3. The base budget of the Division of Medical Assistance, Department of Human Resources, is reduced by six million eight hundred thousand dollars (\$6,800,000) for the 1994-95 fiscal year due to the savings incurred by implementing Section 1 of this act.

Sec. 4. It is the intent of the General Assembly to reduce the base budget of the Division of Medical Assistance, Department of Human Resources, in subsequent fiscal years due to the savings incurred by implementing Section 1 of this act, according to the following schedule:

Fiscal Year	Amount
1995-96	\$7,000,000
1996-97	\$7,300,000

1 1997-98 \$7,500,000
2 1998-99 \$7,800,000
3 1999-00 \$8,100,000
4 2000-01 \$8,300,000
5 2001-02 \$8,600,000.
6 Sec. 5. This act becomes effective July 1, 1993.