

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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SENATE DRS15347-LN-313 (5/16)

Short Title: Inflationary Increase/Medicaid Providers.

(Public)

Sponsors: Senator Purcell.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO GRANT INFLATIONARY INCREASES TO THE RATES OF REIMBURSEMENT FOR CERTAIN MEDICAID PROVIDERS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) The Department of Health and Human Services may grant inflationary increases to the rates of reimbursement for specific groups of providers participating in the Medicaid program, as prescribed by the State Medical Assistance Plan and the individual rate plans for each provider group.

SECTION 1.(b) When considering inflationary increases, the Department shall consider the increasing costs of wages, benefits, workers compensation, liability insurance, energy, fuel, facility maintenance, and new construction, and other factors contributing to the rising cost of providing medical care and services to Medicaid clients. When determining the final amount of the inflationary increase, the Department shall analyze each provider request against increases in the Consumer Price Index, the Medical Care Cost Inflation Index, and other relevant inflationary indices or measures of inflationary costs for the immediate past year and the current year.

SECTION 1.(c) Providers may request rate adjustments based on inflation by submitting a written request to the Department of Health and Human Services detailing the provider's analysis and justification for the request within the provider's rate group. The Department shall grant inflationary increases according to a showing of reasonable and necessary cost increases based on cost reports, cost-modeled rate findings, or negotiated rates for specific provider groups, and specific proposed adjustments for individual provider groups filed with the Department of Health and Human Services, Division of Medical Assistance.

SECTION 1.(d) The Department may adjust rates for individual Medicaid providers or specific Medicaid provider groups, which include factors other than

- 1 inflation on a case-by-case basis. All adjustments are subject to the approval of the
- 2 Secretary of Health and Human Services.
- 3 **SECTION 2.** This act becomes effective July 1, 2006.