

16100535D

HOUSE BILL NO. 1369

Offered January 22, 2016

A BILL to amend the Code of Virginia by adding in Chapter 10 of Title 32.1 an article numbered 5, consisting of a section numbered 32.1-331.18, relating to the Virginia Health Care Innovation Fund.

Patron—Stolle

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 10 of Title 32.1 an article numbered 5, consisting of a section numbered 32.1-331.18, as follows:

Article 5.

Virginia Health Care Innovation Fund.

§ 32.1-331.18. Virginia Health Care Innovation Fund; reports.

A. There is hereby created in the state treasury a special nonreverting fund to be known as the Virginia Health Care Innovation Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the Comptroller. Subject to appropriation by the General Assembly, all funds resulting from savings to the Commonwealth's program of medical assistance identified in accordance with subsection B shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of improving access to health care in accordance with subsection C. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Director of the Department of Medical Assistance Services.

B. The Director of the Department of Medical Assistance Services, in consultation with the Director of the Department of Planning and Budget, shall annually identify projected savings resulting from (i) implementation of reforms of the Commonwealth's program of medical assistance set out in subdivision TTT.7 of Item 301 of Chapter 2 of the Acts of Assembly of 2014 (Special Session I); (ii) implementation of such other reforms of the Commonwealth's program of medical assistance as may be approved by the Medicaid Innovation and Reform Commission pursuant to § 30-347; (iii) implementation of reforms of the Commonwealth's program of medical assistance undertaken in response to the results of financial and operational audits of the program by the Joint Legislative Audit and Review Commission; (iv) implementation of other reforms to the Commonwealth's program of medical assistance described in subsection C designed to reduce the cost of medical assistance and increase savings to the Commonwealth; (v) moneys contributed to the Fund by non-government entities; and (vi) beginning in fiscal year 2016, improved access to health care attributable to services provided in accordance with subsection C.

An amount equal to the moneys described under this subsection shall be deposited into the Fund no later than August 15 of each year.

C. Moneys in the Fund shall be used solely for the purposes of improving access to health care by providing funding for the following, in order of priority:

1. Improving access to care, particularly in rural areas, by increasing reimbursement rates for services provided by health care providers up to 80 percent of the upper payment limit established by the Centers for Medicare and Medicaid;

2. Facilitating the delivery of additional health care services designed to reduce the cost of health care and improve health care outcomes for individuals whose household incomes are no more than 100 percent of the federal poverty level for a household of that size and who are not covered by Medicaid, Medicare, other public health care coverage, or private insurance by funding additional medical residency training positions, additional mobile health clinics, access to obstetrical care in unserved or underserved areas of the Commonwealth, and other innovative models of health care delivery; and

3. Increasing the capacity of existing health safety net programs, including rural health clinics, free clinics, federally qualified health centers, and existing mobile health clinics.

D. No moneys in the Fund shall be used for such costs as may be incurred to implement coverage for newly eligible individuals pursuant to 42 U.S.C. § 1396d(y)(1) [2010] of the federal Patient Protection and Affordable Care Act.

E. The Director of the Department of Medical Assistance Services shall report annually, no later than December 1, to the Chairmen of the Senate Finance and House Appropriations Committees and the

INTRODUCED

HB1369

59 *chairman of the Medicaid Innovation and Reform Commission on (i) savings to the Commonwealth*
60 *resulting from the implementation of reforms of the Commonwealth's program of medical assistance and*
61 *improved access to health care deposited into the Fund pursuant to subsection B, (ii) expenditures from*
62 *the Fund for health care services pursuant to subsection C, and (iii) the number of individuals receiving*
63 *health care services provided in accordance with subsection C.*

64 **2. That the Commissioner of Health shall conduct a gap analysis to determine (i) the number of**
65 **individuals residing in the Commonwealth whose household income is no more than 100 percent of**
66 **the federal poverty level for a household of that size who are not covered by Medicaid, Medicare,**
67 **other public health care coverage, or private insurance, including the number of such individuals**
68 **who are (a) aged, blind, or disabled or (b) chronically ill as evidenced by an inability to perform**
69 **at least two activities of daily living, including eating, toileting, transferring, bathing, dressing, or**
70 **continence, or who have a similar level of disability as determined by the U.S. Secretary of Health**
71 **and Human Services or require substantial supervision by another person to protect the individual**
72 **from threats to health and safety due to severe cognitive impairments; (ii) the geographic**
73 **distribution of such individuals in the Commonwealth; (iii) the health care needs of such**
74 **individuals; (iv) the extent to which those health care needs are currently being met by existing**
75 **mobile health clinics, rural health clinics, free clinics, and federally qualified health clinics; and (v)**
76 **the services necessary to meet any unmet health care needs of such individuals, and shall report**
77 **his findings to the Medicaid Innovation and Reform Commission no later than December 1, 2016.**

78 **3. That the Department of Medical Assistance Services shall review its process and criteria for**
79 **identifying hospitals eligible for Medicaid disproportionate share hospital payments and the**
80 **formula for calculating the amount of payments to qualifying hospitals and shall develop**
81 **recommendations for revising the formula to link the amount of disproportionate share hospital**
82 **payments made to qualifying hospitals with the quality of health care provided to and health care**
83 **outcomes for individuals receiving care. The Department of Medical Assistance Services shall**
84 **report its findings and recommendations, including recommendations for the criteria and measures**
85 **to be used to determine health care outcomes and the quality of health care delivered, to the**
86 **Medicaid Innovation and Reform Commission by December 1, 2016.**

87 **4. That nothing in this act shall be construed as expanding eligibility for medical assistance under**
88 **the federal Patient Protection and Affordable Care Act.**