

AMENDMENTS TO LB1087

(Amendments to Standing Committee amendments, AM2512)

Introduced by Jacobson, 42.

1           1. Strike the original sections and all amendments thereto and  
2 insert the following new sections:

3           Section 1. Sections 1 to 10 of this act shall be known and may be  
4 cited as the Hospital Quality Assurance and Access Assessment Act.

5           Sec. 2. For purposes of the Hospital Quality Assurance and Access  
6 Assessment Act:

7           (1) Assessment means a quality assurance and access assessment  
8 imposed on hospitals pursuant to section 3 of this act;

9           (2) Department means the Division of Medicaid and Long-Term Care of  
10 the Department of Health and Human Services;

11           (3) Hospital means a hospital as defined in section 71-419 or a  
12 rural emergency hospital as described in section 71-477;

13           (4) Medical assistance program means the medical assistance program  
14 established pursuant to the Medical Assistance Act; and

15           (5) Net patient revenue means the revenue paid to a hospital for  
16 patient care, room, board, and services less contractual adjustments, bad  
17 debt, and revenue from sources other than operations, including, but not  
18 limited to, interest, guest meals, gifts, and grants.

19           Sec. 3. (1) The department shall amend the medicaid state plan or  
20 file other federal authorizing documents to establish assessments and  
21 directed-payment programs for hospital inpatient and outpatient services.

22           (2) Upon approval by the federal Centers for Medicare and Medicaid  
23 Services of a hospital assessment and a directed-payment program, the  
24 department shall impose an assessment on hospitals to assure quality and  
25 access in the medical assistance program.

26           (3) The department may establish different assessment rates based on

1 categories of hospital or hospital services as allowed by federal law.

2 (4) The department shall consult with a statewide association  
3 representing a majority of hospitals and health systems in Nebraska  
4 regarding the development, implementation, and annual renewal of the  
5 assessments and the directed-payment programs.

6 (5) The department shall partner with a statewide association  
7 representing a majority of hospitals and health systems in Nebraska to:

8 (a) Aggregate inpatient, outpatient, and clinic claims data in order  
9 to establish quality improvement metrics and track progress on identified  
10 metrics; and

11 (b) Design and implement quality initiatives to improve children's  
12 mental health, adult mental health, maternity care, and senior care.

13 (6) The department shall adopt and promulgate rules and regulations  
14 that are necessary to implement the Hospital Quality Assurance and Access  
15 Assessment Act.

16 Sec. 4. (1) Except as provided in section 6 of this act, the  
17 department shall collect assessments from hospitals and remit the  
18 assessments to the State Treasurer for credit to the Hospital Quality  
19 Assurance and Access Assessment Fund. It is the intent of the Legislature  
20 that no proceeds from the fund, including the federal match, shall be  
21 credited directly to the General Fund except as provided in subdivision  
22 (3)(a) of section 6 of this act.

23 (2) The first quarterly payment of each fiscal year made by the  
24 department shall be transferred from the General Fund. All remaining  
25 quarterly payments shall be paid as provided in section 6 of this act.

26 Sec. 5. (1) Each hospital shall pay an assessment based on net  
27 patient revenue for the purpose of improving the quality of, and access  
28 to, hospital care in the state. The statewide aggregate assessment shall  
29 equal (a) the state share of the payments authorized by the federal  
30 Centers for Medicare and Medicaid Services and (b) funds for expenditures  
31 as provided in subsection (3) of section 6 of this act. The statewide

1 aggregate assessment total shall not exceed six percent of the net  
2 patient revenue of all assessed hospitals.

3 (2)(a) A hospital shall pay its quarterly assessment within thirty  
4 days after receipt of its quarterly directed payments. Failure of a  
5 hospital to remit the assessments may result in penalties, interest, or  
6 legal action.

7 (b) A new hospital shall begin paying an assessment and receiving  
8 directed payments at the start of the first full fiscal year after the  
9 hospital is eligible for medicaid reimbursement for inpatient or  
10 outpatient services. A hospital that has merged with another hospital  
11 shall have its assessment and directed payments revised at the start of  
12 the first full fiscal year after the merger is recognized by the  
13 department. A closed hospital shall be retroactively responsible for  
14 assessments owed and shall receive directed payments for services  
15 provided.

16 (3) If the department determines that a hospital has underpaid or  
17 overpaid assessments, the department shall notify the hospital of the  
18 unpaid assessments or of any refund due. Such payment or refund shall be  
19 due or refunded within thirty days after the date of the notice.

20 Sec. 6. (1) The Hospital Quality Assurance and Access Assessment  
21 Fund is created. Interest earned on the fund shall be credited to the  
22 fund. Any money in the fund available for investment shall be invested by  
23 the state investment officer pursuant to the Nebraska Capital Expansion  
24 Act and the Nebraska State Funds Investment Act.

25 (2) The department shall use the Hospital Quality Assurance and  
26 Access Assessment Fund, including the matching federal financial  
27 participation, for the purpose of enhancing rates paid to hospitals under  
28 the medical assistance program except as allowed by subsection (3) of  
29 this section. Money in the fund shall not be used to replace or offset  
30 existing state funds paid to hospitals for providing services under the  
31 medical assistance program.

1       (3) The Hospital Quality Assurance and Access Assessment Fund shall  
2 also be used to:

3       (a) Reimburse the General Fund the amount of the first quarterly  
4 payment on or before June 30 of each fiscal year;

5       (b) Reimburse the department an administrative fee of three percent  
6 of the assessment, not to exceed fifteen million dollars per year, to  
7 collect assessments and administer directed-payment programs established  
8 by the Hospital Quality Assurance and Access Assessment Act;

9       (c) Provide the Nebraska Center for Nursing Board one-half of one  
10 percent of the assessment, not to exceed two million five hundred  
11 thousand dollars per year, for the expansion of clinical nursing training  
12 sites as authorized in subsection (3) of section 71-1798; and

13       (d) Provide funding of three and one-half percent of the assessment,  
14 not to exceed seventeen million five hundred thousand dollars per year,  
15 for rates for nonhospital providers in the medical assistance program,  
16 continuous eligibility for children, or the designated health information  
17 exchange authorized in section 81-6,125.

18       (4) In calculating rates, the proceeds from assessments and federal  
19 match not utilized under subsection (3) of this section shall be used to  
20 enhance rates for hospital inpatient and outpatient services in addition  
21 to any funds appropriated by the Legislature.

22       (5) The department shall collect data for revenue, discharge, and  
23 inpatient days from a hospital that does not file an annual medicare cost  
24 report. At the request of the department, a hospital that does not file  
25 an annual medicare cost report shall submit such requested data to the  
26 department.

27       (6) The department shall prohibit a medicaid managed care  
28 organization from (a) setting, establishing, or negotiating reimbursement  
29 rates with a hospital in a manner that takes into account, directly or  
30 indirectly, a directed payment that a hospital receives under the  
31 Hospital Quality Assurance and Access Assessment Act, (b) unnecessarily

1 delaying a directed payment to a hospital, or (c) recouping or offsetting  
2 a directed payment for any reason.

3 (7)(a) A hospital shall not:

4 (i) Set, establish, or negotiate reimbursement rates with a managed  
5 care organization in a manner that directly or indirectly takes into  
6 account a directed payment that a hospital receives under the Hospital  
7 Quality Assurance and Access Assessment Act; or

8 (ii) Directly pass on the cost of an assessment to patients or  
9 nonmedicaid payors, including as a fee or rate increase.

10 (b) A hospital that violates this subsection shall not receive a  
11 directed payment for the remainder of the rate year. This subsection  
12 shall not be construed to prohibit a hospital from negotiating with a  
13 payor for a rate increase.

14 Sec. 7. It is the intent of the Legislature that medicaid rates  
15 paid for hospital inpatient and outpatient services and the General Fund  
16 appropriations for hospital inpatient and outpatient services in the  
17 medical assistance program shall not be reduced to an amount below the  
18 rates paid and General Fund appropriations for these services in fiscal  
19 year 2023-24.

20 Sec. 8. Assessments and directed-payment programs shall be treated  
21 as a separate component in developing rates paid to hospitals and shall  
22 not be included with existing rate components. The assessments and  
23 directed-payment programs shall be retroactive to July 1, 2024, or the  
24 effective date approved by the federal Centers for Medicare and Medicaid  
25 Services.

26 Sec. 9. (1) The department shall discontinue the collection of  
27 assessments when federal matching funds are unavailable. In such case,  
28 the department shall terminate the collection of the assessments  
29 beginning on the date such federal matching funds become unavailable.

30 (2) If collection of assessments is discontinued as provided in this  
31 section, the money in the Hospital Quality Assurance and Access

1 Assessment Fund shall be returned to the hospitals from which the  
2 assessments were collected on the same proportional basis as the  
3 assessments were assessed for the quarter in which the assessment was  
4 terminated.

5 Sec. 10. The Hospital Quality Assurance and Access Assessment Act  
6 shall terminate effective January 1, 2027.

7 Sec. 11. Section 71-1798, Revised Statutes Supplement, 2023, is  
8 amended to read:

9 71-1798 (1) The Nebraska Center for Nursing is established. The  
10 center shall address issues of supply and demand for nurses, including  
11 issues of recruitment, retention, and utilization of nurses. The  
12 Legislature finds that the center will repay the state's investment by  
13 providing an ongoing strategy for the allocation of the state's resources  
14 directed towards nursing.

15 (2) The primary goals for the center are:

16 (a) To develop a strategic statewide plan to alleviate the nursing  
17 shortage in Nebraska by:

18 (i) Establishing and maintaining a database on nursing supply and  
19 demand in Nebraska, including current supply and demand and future  
20 projections; and

21 (ii) Selecting priorities from the plan to be addressed;

22 (b) To convene various groups representative of nurses, other health  
23 care providers, business and industry, consumers, legislators, and  
24 educators to:

25 (i) Review and comment on data analysis prepared for the center;

26 (ii) Recommend systemic changes, including strategies for  
27 implementation of recommended changes; and

28 (iii) Evaluate and report the results of these efforts to the  
29 Legislature and the public; and

30 (c) To enhance and promote recognition, reward, and renewal  
31 activities for nurses by:

1 (i) Proposing and creating recognition, reward, and renewal  
2 activities; and

3 (ii) Promoting media and positive image-building efforts for  
4 nursing.

5 (3) After consultation with a statewide association representing  
6 hospitals and health systems that provide clinical nursing opportunities,  
7 the Nebraska Center for Nursing Board shall provide for the expansion of  
8 clinical training sites for nurses throughout the state, giving  
9 preference to areas that have lower numbers of registered nurses per  
10 capita compared to the state average, and shall provide for the  
11 development of programs that:

12 (a) Incentivize clinical nurses to become clinical nurse faculty;

13 (b) Incentivize nurse faculty to partner with staff nurses in the  
14 development of clinical nurse faculty;

15 (c) Expand simulation training for nurse clinical education; and

16 (d) Incentivize hospital facilities to support the center in  
17 carrying out this subsection.

18 (4) The Nebraska Center for Nursing shall partner with a statewide  
19 association representing a majority of hospitals and health systems in  
20 Nebraska to increase the workforce development of nurses and other health  
21 professionals by providing at least fifty million dollars per year in  
22 private investments for statewide health care workforce development.

23 Sec. 12. Original section 71-1798, Revised Statutes Supplement,  
24 2023, is repealed.

25 Sec. 13. Since an emergency exists, this act takes effect when  
26 passed and approved according to law.