

1 HB490  
2 150645-1  
3 By Representative Clouse  
4 RFD: Ways and Means General Fund  
5 First Read: 20-MAR-13

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8 SYNOPSIS: This bill would extend the private hospital  
9 assessment and Medicaid funding program for fiscal  
10 years 2014 and 2015.

11 This bill would provide that state-owned and  
12 public hospitals shall make intergovernmental  
13 transfers to the Medicaid Agency to be used to fund  
14 payments for inpatient and outpatient care and  
15 would provide that state-owned and public hospital  
16 certified public expenditures shall be for the  
17 hospital's uncompensated care and shall be used to  
18 pay the hospital its disproportionate share  
19 payments.  
20

21 A BILL

22 TO BE ENTITLED

23 AN ACT  
24

25 To amend Sections 40-26B-70, 40-26B-71, 40-26B-73,  
26 40-26B-77, 40-26B-78, 40-26B-80, 40-26B-82, 40-26B-84,  
27 40-26B-88, Code of Alabama 1975, to extend the private

1 hospital assessment and Medicaid funding program for fiscal  
2 years 2014 and 2015; to change the base year to fiscal year  
3 2011 for purposes of calculating the assessment; to change the  
4 assessment rate for fiscal years 2014 and 2015; to add Section  
5 40-26B-77.1 to Article 5, Chapter 26B of the Code of Alabama  
6 1975, to provide that state-owned and public hospitals shall  
7 make intergovernmental transfers to the Medicaid Agency to be  
8 used to fund payments for inpatient and outpatient care; and  
9 to provide that state-owned and public hospital certified  
10 public expenditures shall be for the hospital's uncompensated  
11 care and shall be used to pay the hospital its  
12 disproportionate share payments.

13 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

14 Section 1. Sections 40-26B-70, 40-26B-71, 40-26B-73,  
15 40-26B-77, 40-26B-78, 40-26B-80, 40-26B-81, 40-26B-82,  
16 40-26B-84, and 40-26B-88, Code of Alabama 1975, are amended to  
17 read as follows

18 "§40-26B-70.

19 For purposes of this article, the following terms  
20 shall have the following meanings:

21 (1) ACCESS PAYMENT. A payment by the Medicaid  
22 program to an eligible hospital for inpatient and outpatient  
23 hospital care provided to a Medicaid recipient.

24 (2) CERTIFIED PUBLIC EXPENDITURE. A certification in  
25 writing of the cost of providing medical care to Medicaid  
26 beneficiaries by publicly owned hospitals and hospitals owned  
27 by a state agency or a state university plus the amount of

1 uncompensated care provided by publicly owned hospitals and  
2 hospitals owned by an agency of state government or a state  
3 university.

4 (3) DEPARTMENT. The Department of Revenue of the  
5 State of Alabama.

6 (4) HOSPITAL. A facility that is licensed as a  
7 hospital under the laws of the State of Alabama, provides  
8 24-hour nursing services, and is primarily engaged in  
9 providing, by or under the supervision of doctors of medicine  
10 or osteopathy, inpatient services for the diagnosis,  
11 treatment, and care or rehabilitation of persons who are sick,  
12 injured, or disabled.

13 (5) HOSPITAL SERVICES AND REIMBURSEMENT PANEL. A  
14 group of individuals appointed to review and approve any state  
15 plan amendments to be submitted to the Centers for Medicare  
16 and Medicaid Services which involve hospital services or  
17 reimbursement.

18 (6) INTERGOVERNMENTAL TRANSFER. A transfer of funds  
19 made by a publicly or state-owned hospital to the Medicaid  
20 Agency, which will be used by the agency to obtain federal  
21 matching funds for all hospital payments to public and  
22 state-owned hospitals, other than disproportionate share  
23 payments.

24 ~~(6)~~ (7) MEDICAID PROGRAM. The medical assistance  
25 program as established in Title XIX of the Social Security Act  
26 and as administered in the State of Alabama by the Alabama  
27 Medicaid Agency pursuant to executive order, Chapter 6 of

1 Title 22, commencing with Section 22-6-1, and Title 560 of the  
2 Alabama Administrative Code.

3 ~~(7)~~ (8) MEDICARE COST REPORT. CMS-2552-96, the Cost  
4 Report for Electronic Filing of Hospitals.

5 ~~(8)~~ (9) NET PATIENT REVENUE. The amount calculated  
6 in accordance with generally accepted accounting principles  
7 for privately operated hospitals that is reported on Worksheet  
8 G-3, Column 1, Line 3, of the Medicare Cost Report, adjusted  
9 to exclude nonhospital revenue.

10 ~~(9)~~ (10) PRIVATELY OPERATED HOSPITAL. A hospital in  
11 Alabama other than:

12 a. Any hospital that is owned and operated by the  
13 federal government;

14 b. Any state-owned hospital;

15 c. Any publicly owned hospital;

16 d. A hospital that limits services to patients  
17 primarily to rehabilitation services; or

18 e. A hospital granted a certificate of need as a  
19 long term acute care hospital.

20 ~~(10)~~ (11) PUBLICLY OWNED HOSPITAL. A hospital  
21 created and operating under the authority of a governmental  
22 unit which has been established as a public corporation  
23 pursuant to Chapter 21 of Title 22 or Chapter 95 of Title 11,  
24 or a hospital otherwise owned and operated by a unit of local  
25 government.

26 ~~(11)~~ (12) STATE-OWNED HOSPITAL. A hospital that is a  
27 state agency or unit of government, including, without

1 limitation, a hospital owned by a state agency or a state  
2 university.

3 ~~(12)~~ (13) STATE PLAN AMENDMENT. A change or update  
4 to the state Medicaid plan that is approved by the Centers for  
5 Medicare and Medicaid Services.

6 ~~(13)~~ (14) UPPER PAYMENT LIMIT. The maximum ceiling  
7 imposed by federal regulation on Medicaid reimbursement for  
8 inpatient hospital services under 42 C.F.R. §447.272 and  
9 outpatient hospital services under 42 C.F.R. §447.321.

10 a. The upper payment limit shall be calculated  
11 separately for hospital inpatient and outpatient services.

12 b. Medicaid disproportionate share payments shall be  
13 excluded from the calculation of the upper payment limit.

14 ~~(14)~~ (15) UNCOMPENSATED CARE SURVEY. A survey of  
15 hospitals conducted by the Medicaid program to determine the  
16 amount of uncompensated care provided by a particular hospital  
17 in a particular fiscal year.

18 "§40-26B-71.

19 ~~(a) An assessment is imposed on each privately~~  
20 ~~operated hospital for the state fiscal year in the amount of~~  
21 ~~5.38 percent of each hospital's net patient revenue in fiscal~~  
22 ~~year 2007 for the state fiscal years 2010 and 2011. For state~~  
23 ~~fiscal years 2012 and 2013, an assessment is imposed on each~~  
24 ~~privately operated hospital for the state fiscal year in the~~  
25 ~~amount of 5.14 percent of net patient revenue in fiscal year~~  
26 ~~2009. If during fiscal year 2012 or 2013 there is an~~  
27 ~~extraordinary change in a private hospital's cost due to an~~

1 ~~extraordinary known and measurable change that increases the~~  
2 ~~hospital's upper payment limit and entitles that hospital to~~  
3 ~~receive additional access payments, the assessment rate for~~  
4 ~~all private hospitals shall be changed to reflect the~~  
5 ~~hospital's additional costs. An extraordinary known and~~  
6 ~~measurable event is one that results in at least a 50 percent~~  
7 ~~increase in capital costs, necessitates the calculation of the~~  
8 ~~hospital's upper payment limit using a total cost to total~~  
9 ~~charge ratio, and the hospital has at least a 15 percent~~  
10 ~~annual Medicaid inpatient utilization rate. The private~~  
11 ~~hospital must certify to the department the extraordinary~~  
12 ~~costs by August 31, 2012, for the assessment to increase in~~  
13 ~~2013. For state fiscal years 2014 and 2015, an assessment is~~  
14 ~~imposed on each privately operated hospital in the amount of~~  
15 ~~5.50 percent of net patient revenue in fiscal year 2011.~~ The  
16 assessment is a cost of doing business as a privately operated  
17 hospital in the State of Alabama.

18 (b) (1) ~~For state fiscal years 2010 and 2011, net~~  
19 ~~patient revenue shall be determined using the data from each~~  
20 ~~hospital's fiscal year ending in 2007 Medicare Cost Report~~  
21 ~~contained in the Centers for Medicare and Medicaid Services'~~  
22 ~~Healthcare Cost Report Information System file dated December~~  
23 ~~31, 2008. For state fiscal years 2012 and 2013, net patient~~  
24 ~~revenue shall be determined using the data from each~~  
25 ~~hospital's fiscal year ending 2009 Medicare Cost Report~~  
26 ~~contained in the Centers for Medicare and Medicaid Services'~~  
27 ~~Healthcare Cost Report Information System dated December 31,~~

1 ~~2010. For state fiscal years 2014 and 2015, net patient~~  
2 ~~revenue shall be determined using the data from each private~~  
3 ~~hospital's fiscal year ending 2011 Medicare Cost Report~~  
4 ~~contained in the Centers for Medicare and Medicaid Services~~  
5 ~~Healthcare Cost Information System.~~

6 (2) ~~If a privately operated hospital's fiscal year~~  
7 ~~ending in 2007 Medicare Cost Report is not contained in the~~  
8 ~~Centers for Medicare and Medicaid Services' Healthcare Cost~~  
9 ~~Report Information System file dated December 31, 2008, the~~  
10 ~~hospital shall submit a copy of the hospital's 2007 Medicare~~  
11 ~~Cost Report to the department in order to allow the department~~  
12 ~~to determine the hospital's net patient revenue for 2010 and~~  
13 ~~2011. For fiscal years 2012 and 2013, the Medicare Cost Report~~  
14 ~~for 2009 shall be used. The Medicare Cost Report for 2011 for~~  
15 ~~each private hospital shall be used for fiscal years 2014 and~~  
16 ~~2015. If the Medicare Cost Report is not available in Centers~~  
17 ~~for Medicare and Medicaid Services' Healthcare Cost Report~~  
18 ~~Information System, the hospital shall submit a copy to the~~  
19 ~~department to determine the hospital's net patient revenue for~~  
20 ~~fiscal years 2012 and 2013. year 2011.~~

21 (3) ~~If a privately operated hospital commenced~~  
22 ~~operations after the due date for a 2007 Medicare Cost Report,~~  
23 ~~the hospital shall submit its most recent Medicare Cost Report~~  
24 ~~to the department in order to allow the department to~~  
25 ~~determine the hospital's net patient revenue. If a privately~~  
26 ~~operated hospital commenced operations after the due date for~~  
27 ~~a 2009 Medicare Cost Report, the hospital shall submit its~~



1 ~~most recent Medicare Cost Report to the department in order to~~  
2 ~~allow the department to determine the hospital's net patient~~  
3 ~~revenue. If a privately operated hospital commenced operations~~  
4 ~~after the due date for a 2011 Medicare Cost Report, the~~  
5 ~~hospital shall submit its most recent Medicare Cost Report to~~  
6 ~~the department in order to allow the department to determine~~  
7 ~~the hospital's net patient revenue.~~

8 (c) This article does not authorize a unit of county  
9 or local government to license for revenue or impose a tax or  
10 assessment upon hospitals or a tax or assessment measured by  
11 the income or earnings of a hospital.

12 "§40-26B-73.

13 (a) (1) There is created within the Health Care Trust  
14 Fund referenced in Article 3, Chapter 6, Title 22, a  
15 designated account known as the Hospital Assessment Account.

16 (2) The hospital assessments imposed under this  
17 article shall be deposited into the Hospital Assessment  
18 Account.

19 (b) Moneys in the Hospital Assessment Account shall  
20 consist of:

21 (1) All moneys collected or received by the  
22 department from privately operated hospital assessments  
23 imposed under this article;

24 (2) Any interest or penalties levied in conjunction  
25 with the administration of this article; and

26 (3) Any appropriations, transfers, donations, gifts,  
27 or moneys from other sources, as applicable.

1 (c) The Hospital Assessment Account shall be  
2 separate and distinct from the State General Fund and shall be  
3 supplementary to the Health Care Trust Fund.

4 (d) Moneys in the Hospital Assessment Account shall  
5 not be used to replace other general revenues appropriated and  
6 funded by the Legislature or other revenues used to support  
7 Medicaid.

8 (e) The Hospital Assessment Account shall be exempt  
9 from budgetary cuts, reductions, or eliminations caused by a  
10 deficiency of State General Fund revenues to the extent  
11 permissible under Amendment 26 to the Constitution of Alabama  
12 of 1901, now appearing as Section 213 of the Official  
13 Recompilation of the Constitution of Alabama of 1901, as  
14 amended.

15 (f) (1) Except as necessary to reimburse any funds  
16 borrowed to supplement funds in the Hospital Assessment  
17 Account, the moneys in the Hospital Assessment Account shall  
18 be used only as follows:

19 a. To make inpatient and outpatient private hospital  
20 access payments under this article; or

21 b. To reimburse moneys collected by the department  
22 from hospitals through error or mistake or under this article.

23 (2)a. The Hospital Assessment Account shall retain  
24 account balances remaining each fiscal year.

25 b. On September 30, ~~2013~~ 2014, any positive balance  
26 remaining in the Hospital Assessment Account which was not  
27 used by Alabama Medicaid to obtain federal matching funds

1 shall be factored into the calculation of any new assessment  
2 rate by reducing the amount of hospital assessment funds that  
3 must be generated during the fiscal year ~~beginning on October~~  
4 ~~1, 2013, and if 2015.~~ If there is no new assessment beginning  
5 October 1, ~~2013~~ 2015, the funds remaining shall be refunded to  
6 the hospital that paid the assessment in proportion to the  
7 amount remaining.

8 (3) A privately operated hospital shall not be  
9 guaranteed that its inpatient and outpatient hospital payments  
10 will equal or exceed the amount of its hospital assessment.

11 "§40-26B-77.

12 (a) A certification of public expenditures shall be  
13 completed and provided to Medicaid by each publicly and  
14 state-owned hospital for each state fiscal year beginning with  
15 fiscal year 2007. This written certification shall only  
16 include the ~~sum of the cost of providing care to Medicaid~~  
17 ~~eligible beneficiaries for both inpatient and outpatient care~~  
18 ~~plus the~~ amount of uncompensated care provided to hospital  
19 inpatients and outpatients during that same state fiscal year.

20 (b) (1) For state fiscal years ~~2010, 2011, 2012, and~~  
21 ~~2013~~ 2014 and 2015, Medicaid shall pay to each publicly or  
22 state-owned hospitals the disproportionate share moneys for  
23 that fiscal year during the first month of the state fiscal  
24 year.

25 (2) Certified public expenditures made by publicly  
26 and state-owned hospitals shall comply with the requirements  
27 of 42 U.S.C. §1396b(w).

1           (3) If a publicly or state-owned hospital commenced  
2 operations after the due date for the state fiscal year ~~2007~~  
3 2011, the hospital shall submit its certification upon  
4 completion of the first six months of operation of the  
5 hospital to Medicaid in order to allow Medicaid to add the  
6 certification amount to the total certified public expenditure  
7 amount. ~~If a publicly or state-owned hospital commenced~~  
8 ~~operations after the due date for the state fiscal year 2009,~~  
9 ~~the hospital shall submit its certification upon completion of~~  
10 ~~the first six months of operation of the hospital to Medicaid~~  
11 ~~in order to allow Medicaid to add the certification amount to~~  
12 ~~the total certified public expenditure amount.~~

13           (4) If a hospital ceases to operate as a state-owned  
14 or public hospital it shall provide a certification to  
15 Medicaid which shall include all dates of inpatient and  
16 outpatient services until and including the hospital's last  
17 day of patient service as a publicly or state-owned hospital  
18 within 10 business days of the last day the hospital operated  
19 as a state-owned or public hospital.

20           "§40-26B-78.

21           (a) Medicaid shall account for those federal funds  
22 derived from certified public expenditures by publicly and  
23 state-owned hospitals as those funds are received by Medicaid  
24 from the federal government.

25           (b) The certified public expenditure accounting  
26 shall be separate and distinct from the State General Fund  
27 appropriation accounting.

1 (c) Federal moneys accounted for shall not be used  
2 to replace other State General Fund revenues appropriated and  
3 funded by the Legislature or other revenues used to support  
4 Medicaid.

5 (d) The moneys obtained by Medicaid from hospital  
6 certified public expenditure certifications shall be used only  
7 as follows:

8 (1) To make ~~inpatient, outpatient, and~~  
9 disproportionate share hospital payments under this article;

10 (2) To reimburse moneys collected by the department  
11 through error or mistake under this article; or

12 (3) For any other permissible purpose allowed under  
13 Title XIX of the Social Security Act.

14 "§40-26B-79.

15 ~~(a)~~ Medicaid shall pay hospitals as a base amount  
16 for state fiscal years ~~2010, 2011, 2012, and 2013~~ 2014 and  
17 2015, the total inpatient payments made by Medicaid during  
18 state fiscal year 2007, divided by the total patient days paid  
19 in state fiscal year 2007, multiplied by patient days paid  
20 during fiscal years ~~2010, 2011, 2012, and 2013~~ 2014 and 2015.  
21 This payment to be paid using Medicaid's published check write  
22 table is in addition to any access payments, disproportionate  
23 share payments, or other payments described in this article.

24 ~~(b) Any publicly owned or privately operated~~  
25 ~~hospital that ceases to operate as a hospital that was in~~  
26 ~~operation during the hospital's fiscal year ending in 2007~~  
27 ~~shall notify Medicaid at the time the facility ceases to~~

1 ~~operate. Base payments that would have been made to these~~  
2 ~~facilities for these services will not be made beginning on~~  
3 ~~the date that the facility ceased to operate as a hospital.~~

4 "§40-26B-80.

5 ~~Medicaid shall pay hospitals as a base amount for~~  
6 ~~state fiscal years 2010 and 2011 the total outpatient payments~~  
7 ~~made by Medicaid during state fiscal year 2007, divided by the~~  
8 ~~total Internal Control Number or ICN count incurred in state~~  
9 ~~fiscal year 2007, multiplied by the Internal Control Number or~~  
10 ~~ICN count incurred each month during fiscal years 2010 and~~  
11 ~~2011. Medicaid shall pay hospitals as a base amount for fiscal~~  
12 ~~years 2012 and 2013 for outpatient services based upon the~~  
13 ~~outpatient fee schedule in existence on September 30, 2009,~~  
14 ~~plus an additional six percent inflation factor. Medicaid~~  
15 shall pay hospitals as a base amount for fiscal years 2014 and  
16 2015 for outpatient services based upon the outpatient fee  
17 schedule in existence on September 30, 2013, plus an  
18 additional six percent inflation factor over the amounts paid  
19 in 2012 and 2013. Outpatient base payments shall be paid using  
20 Medicaid's published check write table and shall be paid in  
21 addition to any access payments or other payments described in  
22 this article.

23 "§40-26B-81.

24 (a) To preserve and improve access to hospital  
25 services, for hospital inpatient and outpatient services  
26 rendered on or after October 1, 2009, Medicaid shall make

1 hospital access payments to publicly, state-owned, and  
2 privately operated hospitals as set forth in this section.

3 (b) The aggregate hospital access payment amount is  
4 an amount equal to the upper payment limit, less total base  
5 payments determined under this article.

6 (c) All publicly, state-owned, and privately  
7 operated hospitals shall be eligible for inpatient and  
8 outpatient hospital access payments for fiscal years ~~2010,~~  
9 ~~2011, 2012, and 2013~~ 2014 and 2015 as set forth in this  
10 article.

11 (1) In addition to any other funds paid to hospitals  
12 for inpatient hospital services to Medicaid patients, each  
13 eligible hospital shall receive inpatient hospital access  
14 payments each state fiscal year. Publicly and state-owned  
15 hospitals shall receive payments, including base payments,  
16 that, in the aggregate, equal the upper payment limit for  
17 publicly and state-owned hospitals. Privately operated  
18 hospitals shall receive payments, including base payments  
19 that, in the aggregate, equal the upper payment limit for  
20 privately operated hospitals.

21 (2) Inpatient hospital access payments shall be made  
22 on a quarterly basis.

23 (3) In addition to any other funds paid to hospitals  
24 for outpatient hospital services to Medicaid patients, each  
25 eligible hospital shall receive outpatient hospital access  
26 payments each state fiscal year. Publicly and state-owned  
27 hospitals shall receive payments, including base payments,

1 that, in the aggregate, equal the upper payment limit for  
2 publicly and state-owned hospitals. Privately operated  
3 hospitals shall receive payments, including base payments  
4 that, in the aggregate, equal the upper payment limit for  
5 privately operated hospitals.

6 (4) Outpatient hospital access payments shall be  
7 made on a quarterly basis.

8 (d) A hospital access payment shall not be used to  
9 offset any other payment by Medicaid for hospital inpatient or  
10 outpatient services to Medicaid beneficiaries, including,  
11 without limitation, any fee-for-service, per diem, private  
12 hospital inpatient adjustment, or cost settlement payment.

13 (e) The specific hospital payments for publicly,  
14 state-owned, and privately operated hospitals shall be  
15 described in the state plan amendment to be submitted to and  
16 approved by the Centers for Medicare and Medicaid Services.

17 "§40-26B-82.

18 (a) The assessment imposed under this article shall  
19 not take effect or shall cease to be imposed and any moneys  
20 remaining in the Hospital Assessment Account in the Alabama  
21 Medicaid Program Trust Fund shall be refunded to hospitals in  
22 proportion to the amounts paid by them if any of the following  
23 occur:

24 (1) Expenditures for hospital inpatient and  
25 outpatient services paid by the Alabama Medicaid Program for  
26 fiscal years ~~2010, 2011, 2012, and 2013~~ 2014 and 2015 are less  
27 than the amount paid during fiscal year ~~2009~~ 2013.



1           (2) Medicaid makes changes in its rules that reduce  
2 hospital inpatient payment rates, outpatient payment rates, or  
3 adjustment payments, including any cost settlement protocol,  
4 that were in effect on ~~October 1, 2009~~ September 30, 2013.

5           (3) The inpatient or outpatient hospital access  
6 payments required under this article are changed or the  
7 assessments imposed or certified public expenditures, or  
8 intergovernmental transfers recognized under this article are  
9 not eligible for federal matching funds under Title XIX of the  
10 Social Security Act, 42 U.S.C. §1396 et seq., or 42 U.S.C.  
11 §1397aa et seq.

12           (4) The Medicaid Agency enters into any third party  
13 managed care contracts with a commercial managed care entity  
14 for the provision of hospital inpatient or outpatient care as  
15 the term managed care entity is used in 42 U.S.C. §1396u-2.  
16 Notwithstanding the foregoing, a regional care organization,  
17 administrative service organization, primary care network, or  
18 Program of All Inclusive Services for the Aging (PACE) that is  
19 established by the Alabama Medicaid Agency through approval of  
20 The Centers for Medicare and Medicaid Services, U.S.  
21 Department of Health and Human Services, and has health  
22 provider participation in its governance, shall not be deemed  
23 a commercial managed care entity.

24           (b) (1) The assessment imposed under this article  
25 shall not take effect or shall cease to be imposed if the  
26 assessment is determined to be an impermissible tax under  
27 Title XIX of the Social Security Act, 42 U.S.C. §1396 et seq.

1           (2) Moneys in the Hospital Assessment Account in the  
2 Alabama Medicaid Program Trust Fund derived from assessments  
3 imposed before the determination described in subdivision (1)  
4 shall be disbursed under this article to the extent federal  
5 matching is not reduced due to the impermissibility of the  
6 assessments, and any remaining moneys shall be refunded to  
7 hospitals in proportion to the amounts paid by them.

8           "§40-26B-84.

9           This article shall be of no effect if federal  
10 financial participation under Title XIX of the Social Security  
11 Act is not available to Medicaid at the approved federal  
12 medical assistance percentage, established under Section 1905  
13 of the Social Security Act, for the state fiscal years ~~2010,~~  
14 ~~2011, 2012, and 2013~~ 2014 and 2015.

15           Section 2. The following code is added to Article 5,  
16 Chapter 26 of the Code of Alabama 1975, to read as follows:

17           §40-26B-77.1.

18           (a) Beginning on October 1, 2013, publicly owned and  
19 state-owned hospitals will begin making intergovernmental  
20 transfers to the Medicaid Agency. The amount of these  
21 intergovernmental transfers shall be calculated by the  
22 Medicaid Agency to equal the amount of state funds necessary  
23 for the agency to obtain only those federal matching funds  
24 necessary to pay state-owned and public hospitals for direct  
25 inpatient and outpatient care and to pay state-owned and  
26 public hospital inpatient and outpatient access payments.(b)  
27 These intergovernmental transfers shall be made in compliance

1 with 42 U.S.C. §1396(b)w.(c) If a publicly or state-owned  
2 hospital commences operations after October 1, 2013, the  
3 hospital shall commence making intergovernmental transfers to  
4 the Medicaid Agency in the first full month of operation of  
5 the hospital after October 1, 2013.(d) If a hospital ceases to  
6 operate as a state-owned or public hospital, it shall cease  
7 making intergovernmental transfers in the month prior to the  
8 hospital's change in status.

9           Section 3. This act shall become effective on  
10 October 1, 2013.