

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

FIRST SESSION

**LEGISLATIVE BILL 152**

Introduced by Lathrop, 12.

Read first time January 07, 2011

Committee: Business and Labor

A BILL

1 FOR AN ACT relating to the Nebraska Workers' Compensation Act; to  
2 amend section 48-120.04, Reissue Revised Statutes of  
3 Nebraska; to change applicability of a medical fee  
4 schedule; and to repeal the original section.  
5 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 48-120.04, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           48-120.04 (1) This section applies only to hospitals  
4 identified in subdivision (1)(c) of section 48-120.

5           (2) For inpatient discharges on or after January 1, 2008,  
6 the Diagnostic Related Group inpatient hospital fee schedule shall be  
7 as set forth in this section, except as otherwise provided in  
8 subdivision (1)(d) of section 48-120. Adjustments shall be made  
9 annually as provided in this section, with such adjustments to become  
10 effective each January 1.

11           (3) For purposes of this section:

12           (a) Current Medicare Factor is derived from the  
13 Diagnostic Related Group Prospective Payment System as established by  
14 the Centers for Medicare and Medicaid Services under the United  
15 States Department of Health and Human Services and means the  
16 summation of the following components:

17           (i) Hospital-specific Federal Standardized Amount,  
18 including all wage index adjustments and reclassifications;

19           (ii) Hospital-specific Capital Standard Federal Rate,  
20 including geographic, outlier, and exception adjustment factors;

21           (iii) Hospital-specific Indirect Medical Education Rate,  
22 reflecting a percentage add-on for indirect medical education costs  
23 and related capital; and

24           (iv) Hospital-specific Disproportionate Share Hospital  
25 Rate, reflecting a percentage add-on for disproportionate share of

1 low-income patient costs and related capital;

2 (b) Current Medicare Weight means the weight assigned to  
3 each Medicare Diagnostic Related Group as established by the Centers  
4 for Medicare and Medicaid Services under the United States Department  
5 of Health and Human Services;

6 (c) Diagnostic Related Group means the Diagnostic Related  
7 Group assigned to inpatient hospital services using the public domain  
8 classification and methodology system developed for the Centers for  
9 Medicare and Medicaid Services under the United States Department of  
10 Health and Human Services; and

11 (d) Workers' Compensation Factor means the Current  
12 Medicare Factor for each hospital multiplied by one hundred fifty  
13 percent.

14 (4) The Diagnostic Related Group inpatient hospital fee  
15 schedule shall include at least thirty-eight of the most frequently  
16 utilized Medicare Diagnostic Related Groups for workers' compensation  
17 with the goal that the fee schedule covers at least ninety percent of  
18 all workers' compensation inpatient hospital claims submitted by  
19 hospitals identified in subdivision (1)(c) of section 48-120.  
20 Rehabilitation Diagnostic Related Groups shall not be included in the  
21 Diagnostic Related Group inpatient hospital fee schedule. Claims for  
22 inpatient trauma services shall not be reimbursed under the  
23 Diagnostic Related Group inpatient hospital fee schedule established  
24 under this section, but rather ~~until January 1, 2012. Claims for~~  
25 ~~inpatient trauma services prior to January 1, 2012, shall be~~

1 reimbursed under the fees established by the compensation court  
2 pursuant to subdivision (1)(b) of section 48-120 or as contracted  
3 pursuant to subdivision (1)(d) of such section. For purposes of this  
4 subsection, trauma means a major single-system or multisystem injury  
5 requiring immediate medical or surgical intervention or treatment to  
6 prevent death or permanent disability.

7 (5) The Diagnostic Related Group inpatient hospital fee  
8 schedule shall be established by the following methodology:

9 (a) The Diagnostic Related Group reimbursement amount  
10 required under the Nebraska Workers' Compensation Act shall be equal  
11 to the Current Medicare Weight multiplied by the Workers'  
12 Compensation Factor for each hospital;

13 (b) The Stop-Loss Threshold amount shall be the  
14 Diagnostic Related Group reimbursement amount calculated in  
15 subdivision (5)(a) of this section multiplied by two and one-half;

16 (c) For charges over the Stop-Loss Threshold amount of  
17 the schedule, the hospital shall be reimbursed the Diagnostic Related  
18 Group reimbursement amount calculated in subdivision (5)(a) of this  
19 section plus sixty percent of the charges over the Stop-Loss  
20 Threshold amount; and

21 (d) For charges less than the Stop-Loss Threshold amount  
22 of the schedule, the hospital shall be reimbursed the lower of the  
23 hospital's billed charges or the Diagnostic Related Group  
24 reimbursement amount calculated in subdivision (5)(a) of this  
25 section.

1                   (6) For charges for all other stays or services that are  
2 not on the Diagnostic Related Group inpatient hospital fee schedule  
3 or are not contracted for under subdivision (1)(d) of section 48-120,  
4 the hospital shall be reimbursed under the schedule of fees  
5 established by the compensation court pursuant to subdivision (1)(b)  
6 of section 48-120.

7                   (7) Each hospital shall assign and include a Diagnostic  
8 Related Group on each workers' compensation claim submitted. The  
9 workers' compensation insurer, risk management pool, or self-insured  
10 employer may audit the Diagnostic Related Group assignment of the  
11 hospital.

12                   (8) The chief executive officer of each hospital shall  
13 sign and file with the administrator of the compensation court by  
14 October 15 of each year, in the form and manner prescribed by the  
15 administrator, a sworn statement disclosing the Current Medicare  
16 Factor of the hospital in effect on October 1 of such year and each  
17 item and amount making up such factor.

18                   (9) Each hospital, workers' compensation insurer, risk  
19 management pool, and self-insured employer shall report to the  
20 administrator of the compensation court by October 15 of each year,  
21 in the form and manner prescribed by the administrator, the total  
22 number of claims submitted for each Diagnostic Related Group and the  
23 number of times billed charges exceeded the Stop-Loss Threshold  
24 amount for each Diagnostic Related Group.

25                   (10) The compensation court may add or subtract

1 Diagnostic Related Groups in striving to achieve the goal of  
2 including those Diagnostic Related Groups that encompass at least  
3 ninety percent of the inpatient hospital workers' compensation claims  
4 submitted by hospitals identified in subdivision (1)(c) of section  
5 48-120. The administrator of the compensation court shall annually  
6 make necessary adjustments to comply with the Current Medicare  
7 Weights and shall annually adjust the Current Medicare Factor for  
8 each hospital based on the annual statement submitted pursuant to  
9 subsection (8) of this section.

10           Sec. 2. Original section 48-120.04, Reissue Revised  
11 Statutes of Nebraska, is repealed.