
HOUSE BILL 2237

State of Washington 52nd Legislature 1991 1st Special Session

By Representatives Locke and Silver.

Read first time 6/27/91.

1 AN ACT Relating to medical care; amending RCW 74.09.700 and
2 74.09.730; adding a new chapter to Title 82 RCW; creating new
3 sections; making appropriations; providing effective dates; and
4 declaring an emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** DEFINITIONS. Unless the context clearly
7 requires otherwise, the definitions in this section apply throughout
8 this chapter.

9 (1) "State medicaid receipts" means that portion of the gross
10 income of the business that consists of Washington state general fund
11 payments attributable to the medicaid program, other than from federal
12 sources, for inpatient and outpatient hospital services under the
13 medical assistance program provided in RCW 74.09.520 or under the
14 limited casualty program provided in RCW 74.09.700 for persons who are
15 medically needy under the social security Title XIX state plan.

1 (2) "Hospital" means a hospital required to be licensed under
2 chapter 70.41 RCW, or a private hospital required to be licensed under
3 chapter 71.12 RCW, but not including federal hospitals or state
4 hospitals established under chapter 72.23 RCW.

5 (3) The meaning given to words and phrases in chapter 82.04 RCW
6 apply throughout this chapter, to the extent applicable.

7 NEW SECTION. **Sec. 2.** In addition to any other tax, a tax is
8 imposed on every hospital for the act or privilege of engaging in
9 business within this state. The tax is equal to state medicaid
10 receipts multiplied by the rate of twenty percent.

11 NEW SECTION. **Sec. 3.** Chapter 82.32 RCW applies to the tax imposed
12 in this chapter. The tax due dates, reporting periods, and return
13 requirements applicable to chapter 82.04 RCW apply equally to the tax
14 imposed in this chapter.

15 NEW SECTION. **Sec. 4.** This chapter is temporary and shall expire
16 on the earliest of:

17 (1) The date that federal medicaid matching funds for the purposes
18 specified in section 10(1) of this act become unavailable or are
19 substantially reduced, as such date is certified by the secretary of
20 social and health services;

21 (2) The date that federal medicaid matching funds for the purposes
22 specified in section 10(1) of this act become unavailable or are
23 substantially reduced, as determined by a permanent injunction, court
24 order, or final court decision; or

25 (3) July 1, 1993.

1 NEW SECTION. **Sec. 5.** (1) The expiration of sections 1 through 4
2 of this act shall not be construed as affecting any existing right
3 acquired or liability or obligation incurred under those sections or
4 under any rule or order adopted under those sections, nor as affecting
5 any proceeding instituted under those sections.

6 (2) Taxes that have been paid under sections 1 through 4 of this
7 act, but are properly attributable to taxable events occurring after
8 the expiration of those sections, shall be credited or refunded as
9 provided in RCW 82.32.060.

10 NEW SECTION. **Sec. 6.** Sections 1 through 4 of this act shall
11 constitute a new chapter in Title 82 RCW.

12 **Sec. 7.** RCW 74.09.700 and 1991 c 233 s 2 are each amended to read
13 as follows:

14 (1) To the extent of available funds and subject to any conditions
15 placed on appropriations made for this purpose, medical care may be
16 provided under the limited casualty program to persons not otherwise
17 eligible for medical assistance or medical care services who are
18 medically needy as defined in the social security Title XIX state plan
19 and medical indigents in accordance with ~~((medical))~~ eligibility
20 requirements established by the department. The eligibility
21 requirements may include minimum levels of incurred medical expenses.
22 This includes residents of skilled nursing homes, intermediate care
23 facilities, and intermediate care facilities for the mentally retarded
24 who are aged, blind, or disabled as defined in Title XVI of the federal
25 social security act and whose income exceeds three hundred percent of
26 the federal supplement security income benefit level.

1 (2) Determination of the amount, scope, and duration of medical
2 coverage under the limited casualty program shall be the responsibility
3 of the department, subject to the following:

4 (a) Only ~~((inpatient hospital services; outpatient hospital and))~~
5 the following services may be covered:

6 (i) For persons who are medically needy as defined in the social
7 security Title XIX state plan: Inpatient and outpatient hospital
8 services;

9 (ii) For persons who are medically needy as defined in the social
10 security Title XIX state plan, and for persons who are medical
11 indigents under the eligibility requirements established by the
12 department: Rural health clinic services; physicians' and clinic
13 services; prescribed drugs, dentures, prosthetic devices, and
14 eyeglasses; skilled nursing home services, intermediate care facility
15 services, and intermediate care facility services for the mentally
16 retarded; home health services; other laboratory and x-ray services;
17 rehabilitative services, including occupational therapy; medically
18 necessary transportation; and other services for which funds are
19 specifically provided in the omnibus appropriations act ((shall be
20 covered)));

21 ~~((Persons who are medically indigent and are not eligible for~~
22 ~~a federal aid program shall satisfy a deductible of not less than one~~
23 ~~hundred dollars nor more than five hundred dollars in any twelve-month~~
24 ~~period;~~

25 ~~(e))~~ Medical care services provided to the medically indigent and
26 received no more than seven days prior to the date of application shall
27 be retroactively certified and approved for payment on behalf of a
28 person who was otherwise eligible at the time the medical services were
29 furnished: PROVIDED, That eligible persons who fail to apply within

1 the seven-day time period for medical reasons or other good cause may
2 be retroactively certified and approved for payment.

3 (3) The department shall establish standards of assistance and
4 resource and income exemptions. All nonexempt income and resources of
5 limited casualty program recipients shall be applied against the cost
6 of their medical care services.

7 **Sec. 8.** RCW 74.09.730 and 1989 c 260 s 1 are each amended to read
8 as follows:

9 In establishing Title XIX payments ~~((rates))~~ for inpatient hospital
10 services:

11 (1) The department of social and health services shall ~~((take into
12 account the situation of hospitals which serve a disproportionate
13 number of low income patients with special needs;~~

14 ~~((2) The department shall define eligible disproportionate share
15 hospitals by regulation, and shall consider)) provide a
16 disproportionate share hospital adjustment considering the following
17 components:~~

18 (a) A low-income care component based on a hospital's medicaid
19 utilization rate, its low-income utilization rate, ((and)) its
20 provision of obstetric services, and other factors authorized by
21 federal law;

22 (b) A medical indigency care component based on a hospital's
23 services to persons who are medically indigent; and

24 (c) A state-only component, to be paid from available state funds
25 to hospitals that do not qualify for federal payments under (b) of this
26 subsection, based on a hospital's services to persons who are medically
27 indigent;

28 ~~((3))~~ (2) The payment methodology for disproportionate share
29 hospitals shall be specified by the department in regulation.

1 NEW SECTION. **Sec. 9.** (1) In addition to the components in RCW
2 74.09.730, the department of social and health services shall consider
3 the following components in providing disproportionate share hospital
4 adjustments:

5 (a) A medicaid care component proportionately based on a hospital's
6 services to persons who are eligible for medicaid; and

7 (b) A state-only component, to be paid from available state funds
8 to hospitals that do not qualify for federal payments under (a) of this
9 subsection, based on a hospital's services to persons who are eligible
10 for medicaid.

11 (2) Each in-state hospital that provides care to medicaid
12 beneficiaries shall be eligible for payments under either subsection
13 (1) (a) or (b) of this section.

14 (3) This section shall expire on the expiration date of sections 1
15 through 4 of this act.

16 NEW SECTION. **Sec. 10.** (1) The sum of one hundred twenty-eight
17 million four hundred ten thousand dollars from the state general fund,
18 of which sixty-nine million nine hundred thousand dollars is from the
19 general fund--federal, is hereby appropriated for the fiscal period
20 beginning September 1, 1991, and ending June 30, 1993, to the medical
21 assistance program of the department of social and health services for
22 the purpose of the payment of the components of the disproportionate
23 share adjustment under section 9 of this act. The appropriation in
24 this subsection shall lapse on the date that sections 1 through 4 of
25 this act expire. Amounts that have been paid under this subsection,
26 but are properly attributable to a period after the expiration of
27 sections 1 through 4 of this act, shall be repaid or credited to the
28 state as provided in rules of the department.

1 (2) The sum of thirty-eight million one hundred eighty-seven
2 thousand dollars from the state general fund, of which twenty million
3 nine hundred ninety-five thousand dollars is from the general fund--
4 federal, is hereby appropriated for the biennium ending June 30, 1993,
5 to the medical assistance program of the department of social and
6 health services for the purpose of the payment of the medical indigency
7 care components of the disproportionate share adjustment under RCW
8 74.09.730(1) (b) and (c).

9 (3) The allotments from the appropriations in this section shall be
10 made so as to enable expenditure of the appropriations through the end
11 of the 1991-93 biennium.

12 (4) The appropriations in this section are supplemental to other
13 appropriations to the medical assistance program. The department of
14 social and health services shall not use the moneys appropriated in
15 this section in lieu of any other appropriations for the medical
16 assistance program.

17 NEW SECTION. **Sec. 11.** This act is necessary for the immediate
18 preservation of the public peace, health, or safety, or support of the
19 state government and its existing public institutions, and shall take
20 effect on July 1, 1991, except sections 1 through 6 and 9 of this act
21 which shall take effect on September 1, 1991.