

HOUSE BILL REPORT

HB 3016

As Reported By House Committee On:
Health Care

Title: An act relating to providing state medical assistance reimbursements for small rural hospitals that meet the criteria of a critical access hospital.

Brief Description: Creating a reimbursement system for the state's medical assistance programs in rural hospitals.

Sponsors: Representatives Parlette and Cody.

Brief History:

Committee Activity:

Health Care: 2/3/00, 2/4/00 [DPS].

Brief Summary of Substitute Bill

- The Department of Social and Health Services will develop a cost-based reimbursement system to reimburse small, rural hospitals for care provided to department clients.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Cody, Democratic Co-Chair; Parlette, Republican Co-Chair; Pflug, Republican Vice Chair; Schual-Berke, Democratic Vice Chair; Alexander; Campbell; Conway; Edmonds; Edwards; Mulliken; Pennington and Ruderman.

Staff: David Knutson (786-7146).

Background:

The federal Health Care Financing Administration allows small rural hospitals, which meet eligibility criteria, to be reimbursed on a cost-based system for medicare services. This provides qualifying hospitals with a higher reimbursement rate than they would normally receive. State medical assistance programs do not currently

provide small rural hospitals with the same type of cost-based reimbursement for medical services.

Summary of Substitute Bill:

The Department of Social and Health Services will reimburse small, rural hospitals on a cost-based reimbursement basis if they meet specific eligibility criteria. Medicaid, the limited casualty program, and the medical care services program are included in the cost-based reimbursement system.

Substitute Bill Compared to Original Bill: The requirement that payments to qualifying hospitals be made with additional state funds is deleted. Incorrect references are removed.

Appropriation: None.

Fiscal Note: Requested on January 26, 2000.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: Small rural hospitals need additional reimbursement for clients of the Department of Social and Health Services. This new reimbursement system is based on a federal system used to compensate small rural hospitals who care for Medicare clients.

Testimony Against: None.

Testified: (In support) Andy Davidson and Brenda Suiter, Washington State Hospital Association.

(Support concept-not in Governor's budget) Ron Weaver, Department of Health.