

---

**Ways & Means Committee**

---

**HB 2069**

**Brief Description:** Concerning hospital payments.

**Sponsors:** Representative Cody.

**Brief Summary of Bill**

- Starting July 1, 2011, the statutory inpatient and outpatient rate increases for medical assistance services provided by prospective payment system hospitals are reduced. The inpatient rate increase is reduced from 13 percent to 3.96 percent, and the outpatient rate increase is reduced from 36.83 percent to 27.25 percent.
- The sum of \$189.8 million may be expended from the Hospital Safety Net Assessment Fund in lieu of state General Fund payments to hospitals in the 2011-13 fiscal biennium.

**Hearing Date:** 4/13/11

**Staff:** Erik Cornellier (786-7116).

**Background:**

Medical assistance is available to eligible low-income state residents and their families from the Department of Social and Health Services (DSHS), primarily through the Medicaid program.

Pursuant to Engrossed Second Substitute House Bill 2956 (hospital safety net assessment), hospital provider assessments are imposed on most hospitals and proceeds from the assessments are deposited into the Hospital Safety Net Assessment Fund (the Fund). Money in the Fund may be used for various increases in hospital payments. Inpatient and outpatient payment rates were restored to levels in place on June 30, 2009. Beyond that restoration, hospitals reimbursed under the prospective payment system (PPS) received a 13 percent increase in rates for non-psychiatric inpatient services and a 36.83 percent increase in rates for outpatient services. The sum of \$49.3 million per biennium may be expended from the Fund in lieu of state General Fund payments to hospitals.

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Summary of Bill:**

Starting July 1, 2011, the inpatient and outpatient rate increases for medical assistance services provided by prospective payment system hospitals are reduced. The inpatient rate increase is reduced from 13 percent to 3.96 percent, and the outpatient rate increase is reduced from 36.83 percent to 27.25 percent.

The sum of \$189.8 million may be expended from the Fund in lieu of state general fund payments to hospitals in the 2011-13 fiscal biennium.

**Appropriation:** None.

**Fiscal Note:** Requested on April 9, 2011.

**Effective Date:** The bill contains an emergency clause and takes effect on July 1, 2011.