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HOUSE BILL 1916

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State of Washington

63rd Legislature

2013 Regular Session

By Representatives Tharinger, Warnick, Van De Wege, Manweller, Takko, and Blake

Read first time 02/18/13. Referred to Committee on Appropriations.

1 AN ACT Relating to providing enhanced payment to small rural  
2 hospitals that meet the criteria of a sole community hospital; amending  
3 RCW 74.09.5225; creating a new section; providing an effective date;  
4 and declaring an emergency.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that promoting a  
7 financially viable health care system in all parts of the state is a  
8 critical interest. The federal centers for medicare and medicaid  
9 services has recognized the crucial role hospitals play in providing  
10 care in rural areas by creating the sole community hospital program,  
11 which allows certain small rural hospitals to receive enhanced payments  
12 for medicare services. The legislature further finds that creating a  
13 similar reimbursement system for the state's medicaid program for sole  
14 community hospitals will promote the long-term financial viability of  
15 the rural health care system in those communities.

16 **Sec. 2.** RCW 74.09.5225 and 2011 1st sp.s. c 15 s 31 are each  
17 amended to read as follows:

18 (1) Payments for recipients eligible for medical assistance

1 programs under this chapter for services provided by hospitals,  
2 regardless of the beneficiary's managed care enrollment status, shall  
3 be made based on allowable costs incurred during the year, when  
4 services are provided by a rural hospital certified by the centers for  
5 medicare and medicaid services as a critical access hospital. Any  
6 additional payments made by the authority for the healthy options  
7 program shall be no more than the additional amounts per service paid  
8 under this section for other medical assistance programs.

9 (2) Beginning on July 24, 2005, a moratorium shall be placed on  
10 additional hospital participation in critical access hospital payments  
11 under this section. However, rural hospitals that applied for  
12 certification to the centers for medicare and medicaid services prior  
13 to January 1, 2005, but have not yet completed the process or have not  
14 yet been approved for certification, remain eligible for medical  
15 assistance payments under this section.

16 (3) Payments for recipients eligible for medical assistance  
17 programs under this chapter for services provided by a hospital,  
18 regardless of the beneficiary's managed care enrollment status, shall  
19 be increased to one hundred twenty-five percent of the hospital's fee-  
20 for-service rates, when services are provided by a rural hospital  
21 certified by the centers for medicare and medicaid services as a sole  
22 community hospital as of January 1, 2013, with less than one hundred  
23 fifty acute care licensed beds in fiscal year 2011. The enhanced  
24 payment rates under this subsection shall be considered the hospital's  
25 medicaid payment rate for purposes of any other state or private  
26 programs that pay hospitals according to medicaid payment rates.  
27 Hospitals participating in the certified public expenditures program  
28 may not receive the increased reimbursement rates provided in this  
29 subsection for inpatient services.

30 NEW SECTION. Sec. 3. This act is necessary for the immediate  
31 preservation of the public peace, health, or safety, or support of the  
32 state government and its existing public institutions, and takes effect  
33 July 1, 2013.

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