

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2024

Chapter 350, Laws of 2019

66th Legislature
2019 Regular Session

BUSINESS AND OCCUPATION TAX EXEMPTION--CERTAIN MEDICAID DEMONSTRATION
PROJECT INCENTIVE PAYMENTS

EFFECTIVE DATE: July 28, 2019

Passed by the House March 12, 2019
Yeas 97 Nays 1

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 25, 2019
Yeas 48 Nays 0

CYRUS HABIB

President of the Senate

Approved May 9, 2019 3:24 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2024** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

May 13, 2019

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 2024

Passed Legislature - 2019 Regular Session

State of Washington

66th Legislature

2019 Regular Session

By House Finance (originally sponsored by Representatives Robinson and Cody)

READ FIRST TIME 02/28/19.

1 AN ACT Relating to deductions of incentive payments under the
2 medicaid program established within 42 C.F.R. 438.6(b)(2) and Sec.
3 1115 medicaid demonstration project number 11-W-00304/0; amending RCW
4 82.04.43395; and creating new sections.

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

6 **Sec. 1.** RCW 82.04.43395 and 2018 c 102 s 2 are each amended to
7 read as follows:

8 (1) An accountable community of health may deduct from the
9 measure of tax delivery system reform incentive payments distributed
10 by the Washington state health care authority, as described in Sec.
11 1115 medicaid demonstration project number 11-W-00304/0, approved by
12 the centers for medicare and medicaid services in accordance with
13 Sec. 1115(a) of the social security act.

14 (2) A hospital that is owned by a municipal corporation or
15 political subdivision, or a hospital that is affiliated with a state
16 institution, may deduct from the measure of tax either or both of the
17 following:

18 (a) Incentive payments received through the medicaid quality
19 improvement program established through 42 C.F.R. 438.6(b)(2), as
20 existing on the effective date of this section;

1 **(b)** Delivery system reform incentive payments received through
2 the project described in Sec. 1115 medicaid demonstration project
3 number 11-W-00304/0, approved by the centers for medicare and
4 medicaid services in accordance with Sec. 1115(a) of the social
5 security act.

6 **(3)** ~~((For the purpose of this section,))~~ Managed care
7 organizations may deduct from the measure of tax the incentive
8 payments received for achieving quality performance standards
9 established through 42 C.F.R. 438.6(b)(2), as existing on the
10 effective date of this section.

11 **(4)** The definitions in this subsection apply throughout this
12 section unless the context clearly requires otherwise.

13 **(a)** "Accountable community of health" means an entity designated
14 by the health care authority as a community of health under RCW
15 41.05.800 and any additional accountable communities of health
16 authorized by the health care authority as part of ((its federal
17 innovation waiver)) Sec. 1115 medicaid demonstration project number
18 11-W-00304/0.

19 **(b)** "Managed care organization" has the same meaning as provided
20 in RCW 74.60.010.

21 NEW SECTION. Sec. 2. The deductions in section 1 of this act
22 apply only with respect to amounts received on or after the effective
23 date of this section by a hospital that is owned by a municipal
24 corporation or political subdivision, a hospital that is affiliated
25 with a state institution, or a managed care organization.

26 NEW SECTION. Sec. 3. The provisions of RCW 82.32.805 and
27 82.32.808 do not apply to this act.

Passed by the House March 12, 2019.
Passed by the Senate April 25, 2019.
Approved by the Governor May 9, 2019.
Filed in Office of Secretary of State May 13, 2019.

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