
Appropriations Committee

PSHB 2289

Brief Description: Relating to hospital efficiencies.

Sponsors: Representatives Sommers and Cody.

<p style="text-align: center;">Brief Summary of Proposed Substitute Bill</p> <ul style="list-style-type: none">• Places a moratorium on additional hospitals receiving reimbursement as a critical access hospital for services provided to medical assistance clients.
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Hearing Date: 3/31/05

Staff: Amy Hanson (786-7118).

Background:

The Federal Balanced Budget Act of 1997 established the Critical Access Hospital Program (Program). Through the Program, the federal Centers for Medicare and Medicaid Services use a cost-based approach to reimburse certain rural hospitals for services provided to Medicare clients. This Program, after certifying that a hospital meets the specified eligibility criteria, provides the hospital with a higher rate of reimbursement than is otherwise paid under Medicare.

A similar reimbursement system for the state's medical assistance programs was established in 2001 to reimburse Critical Access Hospitals based on allowable costs for services provided to persons enrolled in the Department of Social and Health Services Medical Assistance programs. Washington currently has 37 hospitals certified as critical access hospitals.

Summary of Bill:

A moratorium is placed on additional hospitals receiving reimbursement based on allowable costs as a critical access hospital for services provided to medical assistance clients. Hospitals that have applied for certification prior to January 1, 2005, will, if certified, be eligible for the allowable costs-based medical assistance reimbursement.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.