CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5859

63rd Legislature
2014 Regular Session

Passed by the Senate March 10, 2014
  YEAS 46 NAYS 3

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President of the Senate

Passed by the House March 7, 2014
  YEAS 97 NAYS 0

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Speaker of the House of Representatives

Approved

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Governor of the State of Washington

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5859** as passed by the Senate and the House of Representatives on the dates hereon set forth.

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                                    Secretary

FILED

Secretary of State
State of Washington

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SUBSTITUTE SENATE BILL 5859
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AS AMENDED BY THE HOUSE

Passed Legislature - 2014 Regular Session

State of Washington   63rd Legislature   2014 Regular Session

By Senate Ways & Means (originally sponsored by Senators Braun, Hatfield, Holmquist Newbry, and Hargrove)

READ FIRST TIME 02/11/14.

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; and creating a new section.

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

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

15   **Sec. 2.** RCW 74.09.5225 and 2011 1st sp.s. c 15 s 31 are each
16 amended to read as follows:
17   (1) Payments for recipients eligible for medical assistance
18 programs under this chapter for services provided by hospitals,

1 regardless of the beneficiary's managed care enrollment status, shall
2 be made based on allowable costs incurred during the year, when
3 services are provided by a rural hospital certified by the centers for
4 medicare and medicaid services as a critical access hospital. Any
5 additional payments made by the authority for the healthy options
6 program shall be no more than the additional amounts per service paid
7 under this section for other medical assistance programs.
8   (2) Beginning on July 24, 2005, a moratorium shall be placed on
9 additional hospital participation in critical access hospital payments
10 under this section. However, rural hospitals that applied for
11 certification to the centers for medicare and medicaid services prior
12 to January 1, 2005, but have not yet completed the process or have not
13 yet been approved for certification, remain eligible for medical
14 assistance payments under this section.
15   (3)(a) Beginning January 1, 2015, payments for recipients eligible
16 for medical assistance programs under this chapter for services
17 provided by a hospital, regardless of the beneficiary's managed care
18 enrollment status, shall be increased to one hundred twenty-five
19 percent of the hospital's fee-for-service rates, when services are
20 provided by a rural hospital that:
21   (i) Was certified by the centers for medicare and medicaid services
22 as a sole community hospital as of January 1, 2013;
23   (ii) Had a level III adult trauma service designation from the
24 department of health as of January 1, 2014;
25   (iii) Had less than one hundred fifty acute care licensed beds in
26 fiscal year 2011; and
27   (iv) Is owned and operated by the state or a political subdivision.
28   (b) The enhanced payment rates under this subsection shall be
29 considered the hospital's medicaid payment rate for purposes of any
30 other state or private programs that pay hospitals according to
31 medicaid payment rates.
32   (c) Hospitals participating in the certified public expenditures
33 program may not receive the increased reimbursement rates provided in
34 this subsection (3) for inpatient services.

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