

FINAL BILL REPORT

SHB 1520

C 198 L 17
Synopsis as Enacted

Brief Description: Allowing alternative payment methodologies for critical access hospitals participating in the Washington rural health access preservation pilot.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Tharinger, Short, Cody, Schmick and Springer).

House Committee on Health Care & Wellness
House Committee on Appropriations
Senate Committee on Health Care
Senate Committee on Ways & Means

Background:

There are 39 hospitals in Washington that are certified as critical access hospitals. These are hospitals with 25 beds or fewer that are generally located in rural areas. They must deliver continuous emergency department services and have an average length of stay that does not exceed 96 hours per patient. The Critical Access Hospital program allows hospitals under Washington's medical assistance programs to receive payment for hospital services based on allowable costs and to have more flexibility in staffing.

The Department of Health and the Health Care Authority, in collaboration with the Washington State Hospital Association, have formed the Washington Rural Health Access Preservation (WRHAP) pilot to examine different structures for payment and care delivery for critical access hospitals. The WRHAP pilot expects to create a new facility type that would allow rural critical access hospitals to scale their services to the needs and care patterns of the communities. An interim progress report on the WRHAP pilot is due to the Legislature by December 1, 2018.

Summary:

It is clarified that the cost-based method for reimbursing critical access hospitals under medical assistance programs does not apply to critical access hospitals participating in the Washington Rural Health Access Preservation (WRHAP) pilot.

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.

Subject to appropriation, payments for services delivered by public health care service districts participating in the WRHAP pilot must be sufficient to sustain essential services to the community, including emergency and primary care services. The reimbursement methodology must adjust payment amounts based upon quality and value, rather than volume, and the Health Care Authority must encourage other health care payers to adopt the methodology. Funds for the WRHAP pilot must be used to help participating hospitals transition to a new payment methodology.

The stated purpose of the WRHAP pilot is to develop an alternative service and payment system to the critical access hospital structure and to sustain essential services in rural communities.

The provisions are null and void if specific funding is not provided in the operating budget.

Votes on Final Passage:

House	95	2	
Senate	49	0	(Senate amended)
House	96	0	(House concurred)

Effective: July 23, 2017