

# SENATE BILL REPORT

## SB 5103

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As of February 8, 2023

**Title:** An act relating to payment to acute care hospitals for difficult to discharge medicaid patients who do not need acute care but who are waiting in the hospital to be appropriately and timely discharged to postacute and community settings.

**Brief Description:** Concerning payment to acute care hospitals for difficult to discharge medicaid patients.

**Sponsors:** Senators Muzzall, Cleveland and Rivers.

**Brief History:**

**Committee Activity:** Health & Long Term Care: 1/17/23.

**Brief Summary of Bill**

- Directs the Health Care Authority and the Department of Social and Health Services to require or provide payment to the hospital for any part of an Apple Health patient's stay that meet certain qualifications.
- Requires the payment for any part of an Apple Health patient's stay that meets the qualifications to equal at least 70 percent of the hospital's direct costs incurred for the patient's stay.

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### SENATE COMMITTEE ON HEALTH & LONG TERM CARE

**Staff:** Julie Tran (786-7283)

**Background:** The Health Care Authority (HCA) administers the Medicaid program, which is a state-federal program that pays for health care for low-income state residents who meet certain eligibility criteria. Washington's Medicaid program, known as Apple Health, offers a complete medical benefits package, including prescription drug coverage, to eligible families, children under age 19, low-income adults, certain disabled individuals, and

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pregnant people.

Reimbursement for Inpatient Hospital Stays. HCA pays for the hospital stays of Apple Health enrollees if the attending physician orders admission and the admission and treatment meet coverage standards. Hospital services include emergency room services; hospital room and board, including nursing care; inpatient services, supplies, equipment, and prescription drugs; surgery and anesthesia; diagnostic testing and laboratory work; and radiation and imaging services.

Hospitals may receive an administrative day rate for days of a hospital stay when a client does not meet the medical necessity criteria for acute inpatient care, but is not discharged because:

- an appropriate placement outside the hospital is not available, which is considered a no placement administrative day; or
- the postpartum parent's newborn remains on an inpatient claim for monitoring post-in utero exposure to substances leading to physiologic dependence and continuous care by the postpartum parent is appropriate first-line treatment, which is considered a newborn administrative day.

HCA pays the administrative day rate to the hospital starting with the date of hospital admission if the admission is solely for a no placement administrative day. The administrative day rate is set annually using the statewide average nursing home rate as of that date. As of November 1, 2022, the current administrative day rate is \$338.91.

**Summary of Bill:** HCA and the Department of Social and Health Services (DSHS) must require or provide payment to the hospital for any day of a hospital stay for an Apple Health-enrolled patient, which includes patients receiving home and community services, if the patient:

- does not meet the criteria for acute inpatient level of care;
- meets the criteria of placement in a licensed nursing home, a licensed assisted living facility, a licensed adult family home, or a setting which residential services are provided or funded by DSHS Developmental Disabilities administrations, which includes supported living services; and
- is not discharged from the hospital because placement in the appropriate facility as listed above is not available.

Payment for any day of a hospital stay for an Apple Health-enrolled patient that meets the requirements must equal at least 70 percent of the direct costs incurred by the hospital for the patient's stay. The hospitals must document and certify the costs incurred and HCA must calculate the payment to the hospital for the patient's stay.

HCA and DSHS may adopt, amend, or rescind such administrative rules necessary to facilitate calculation and payment of the amounts.

**Appropriation:** The bill contains a section or sections to limit implementation to the availability of amounts appropriated for that specific purpose.

**Fiscal Note:** Requested on January 9, 2023.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.