

# FINAL BILL REPORT

## 2SSB 5532

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### PARTIAL VETO

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Synopsis as Enacted

**Brief Description:** Providing enhanced payment to low volume, small rural hospitals.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators King, Cleveland, Lovelett, Warnick and Wellman).

**Senate Committee on Health & Long Term Care**

**Senate Committee on Ways & Means**

**House Committee on Health Care & Wellness**

**House Committee on Appropriations**

**Background:** Critical Access Hospitals. Rural hospitals report unique operating challenges due to their remote locations and the large percentage of their revenue derived from publicly funded health care programs, including Medicaid and Medicare. Eligible rural hospitals may be certified by the Centers for Medicare and Medicaid Services (CMS) as critical access hospitals.

To be eligible for critical access hospital status, a rural hospital must have 25 beds or fewer acute care inpatient beds, offer 24/7 emergency department care services, and have an average length of stay of 96 hours or less for acute care patients.

In Washington State, there are 39 critical access hospitals. These hospitals are often operated by public hospital districts. In addition to emergency and acute care, they provide a range of health care services such as primary care, long-term care, and physical and occupational therapy. These hospitals receive Medicare and Medicaid payments based on allowable costs, whereas non-designated critical access hospitals are paid based on a set fee per diagnosis or procedure.

Astria Toppenish Hospital. The only hospital in Washington that meets the criteria is Astria Toppenish Hospital (ATH), located in Toppenish, Washington. This facility is a community hospital including emergency, surgical, and outpatient services. In December 2022, ATH

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announced the closure of the Family Maternity Center and will no longer offer labor and delivery services in Toppenish.

**Summary:** Beginning July 1, 2024, through December 31, 2028, Medicaid payments for acute care services provided by a hospital must be paid at 120 percent of the hospital's fee-for-service rate for inpatient services and 200 percent of the hospital's fee-for-service rate for outpatient services, when services are provided by a hospital that:

- is not currently designated as a critical access hospital, and does not meet current federal eligibility requirements for designation as a critical access hospital;
- has Medicaid inpatient days greater than 50 percent of all hospital inpatient days; and
- is located on the land of a federally recognized Indian tribe.

The increase in Medicaid payments expires on the date that the CMS approves the Hospital Safety Net Program as established in statute and as amended by SHB 1850, at which time the Health Care Authority (HCA) must provide written notice to affected parties, the Chief Clerk of the House of Representatives, the Secretary of the Senate, the Office of the Code Reviser, and others as deemed appropriate by the HCA.

**Votes on Final Passage:**

Senate	48	0	
House	98	0	(House amended)
Senate	48	0	(Senate concurred)

**Effective:** July 23, 2023

**Partial Veto Summary:**

- Removed the emergency clause.