

RCW 74.60.030 Assessments. (Contingent expiration date.) (1) (a)

Upon satisfaction of the conditions in RCW 74.60.150(1), and so long as the conditions in RCW 74.60.150(2) have not occurred, an assessment is imposed as set forth in this subsection. Assessment notices must be sent on or about thirty days prior to the end of each quarter and payment is due thirty days thereafter.

(b) Effective July 1, 2015, and except as provided in RCW 74.60.050:

(i) Each prospective payment system hospital, except psychiatric and rehabilitation hospitals, shall pay a quarterly assessment. Each quarterly assessment shall be no more than one quarter of three hundred eighty dollars for each annual nonmedicare hospital inpatient day, up to a maximum of fifty-four thousand days per year. For each nonmedicare hospital inpatient day in excess of fifty-four thousand days, each prospective payment system hospital shall pay a quarterly assessment of one quarter of seven dollars for each such day, unless such assessment amount or threshold needs to be modified to comply with applicable federal regulations;

(ii) Each critical access hospital shall pay a quarterly assessment of one quarter of ten dollars for each annual nonmedicare hospital inpatient day;

(iii) Each psychiatric hospital shall pay a quarterly assessment of no more than one quarter of seventy-four dollars for each annual nonmedicare hospital inpatient day; and

(iv) Each rehabilitation hospital shall pay a quarterly assessment of no more than one quarter of seventy-four dollars for each annual nonmedicare hospital inpatient day.

(2) The authority shall determine each hospital's annual nonmedicare hospital inpatient days by summing the total reported nonmedicare hospital inpatient days for each hospital that is not exempt from the assessment under RCW 74.60.040. The authority shall obtain inpatient data from the hospital's 2552 cost report data file or successor data file available through the centers for medicare and medicaid services, as of a date to be determined by the authority. For state fiscal year 2021, the authority shall use cost report data for hospitals' fiscal years ending in 2017. For subsequent years, the hospitals' next succeeding fiscal year cost report data must be used.

(a) With the exception of a prospective payment system hospital commencing operations after January 1, 2009, for any hospital without a cost report for the relevant fiscal year, the authority shall work with the affected hospital to identify appropriate supplemental information that may be used to determine annual nonmedicare hospital inpatient days.

(b) A prospective payment system hospital commencing operations after January 1, 2009, must be assessed in accordance with this section after becoming an eligible new prospective payment system hospital as defined in RCW 74.60.010. [2019 c 318 § 4; 2017 c 228 § 4; 2015 2nd sp.s. c 5 § 3; 2014 c 143 § 1; 2013 2nd sp.s. c 17 § 4; 2010 1st sp.s. c 30 § 4.]

Effective date—2019 c 318: See note following RCW 74.60.005.

Effective date—2017 c 228: See note following RCW 74.60.005.

Effective date—2015 2nd sp.s. c 5: See note following RCW 74.60.005.

Effective date—2014 c 143: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately [March 28, 2014]." [2014 c 143 § 4.]

Effective date—2013 2nd sp.s. c 17: See note following RCW 74.60.005.

RCW 74.60.030 Assessments. (Contingent effective date.) (1) Upon satisfaction of the conditions in RCW 74.60.150(1), and so long as the conditions in RCW 74.60.150(2) have not occurred, an annual assessment is imposed as set forth in this subsection, which shall be paid in equal quarterly installments. For calendar year 2024, the first assessment notice shall be sent on or before February 7th unless the conditions in RCW 74.60.150(1) are not satisfied by January 1, 2024, in which case the first assessment notice shall be sent 21 calendar days following satisfaction of those conditions. So long as none of the conditions specified in RCW 74.60.150(2) have occurred, subsequent assessment notices must be sent on or before 45 calendar days prior to the end of each quarter. Hospitals shall pay their assessments within 30 calendar days of receiving any notice.

(2) For calendar year 2024, unless adjusted as provided for in this chapter, the authority, after consultation with the Washington state hospital association, shall determine inpatient and outpatient assessment rates that, when applied as set forth below, will produce \$510,000,000 from the inpatient assessment and \$386,400,000 from the outpatient assessment. For subsequent years, the authority, in consultation with the Washington state hospital association, shall adjust the assessment amounts to fund adjustments in directed payments under RCW 74.60.130 and quality incentive payments under RCW 74.09.611.

(3) The authority shall determine standard assessment rates for hospital inpatient and outpatient assessments that are sufficient, when applied to net nonmedicare inpatient and outpatient revenue, to produce the inpatient and outpatient assessment amounts needed to fund the payments in RCW 74.60.020(4). The standard inpatient and outpatient rates must comply with applicable federal law and regulations. If the categories of hospitals described in this section for assessment purposes do not meet federal approval requirements, they may be modified by the mutual agreement of the authority and the Washington state hospital association so that approval may be obtained.

(a) For medicaid prospective payment system hospitals that are rehabilitation hospitals, the assessment rate to be applied to net nonmedicare inpatient revenue shall be 50 percent of the standard inpatient assessment and 50 percent of the standard outpatient assessment;

(b) For medicaid prospective payment system hospitals that are psychiatric hospitals, the assessment rate to be applied to net nonmedicare inpatient revenue shall be 100 percent of the standard inpatient assessment and 50 percent of the standard outpatient assessment;

(c) For medicaid prospective payment system hospitals that are cancer hospitals, the assessment rate to be applied to net nonmedicare

revenue shall be 100 percent of the standard rate for inpatient revenue and 40 percent of the standard rate for outpatient revenue;

(d) For medicaid prospective payment system hospitals that are children's hospitals, the assessment rate to be applied to net nonmedicare revenue shall be five percent of the standard rate for inpatient revenue and 20 percent of the standard rate for outpatient revenue;

(e) For medicaid prospective payment system hospitals that are high government payer independent hospitals, the assessment rate to be applied to net nonmedicare revenue shall be 20 percent of the standard rate for inpatient revenue and 90 percent of the standard rate for outpatient revenue;

(f) For any other medicaid prospective payment system hospitals, the assessment rate to be applied to net nonmedicare revenue is 100 percent of the standard rate for inpatient revenue and 100 percent of the standard rate for outpatient revenue;

(g) For each critical access hospital, the assessment rate to be applied to net nonmedicare revenue shall be five percent of the inpatient standard rate and 40 percent of the outpatient standard assessment.

(4) If federal assessment demonstration requirements are not met for either the inpatient or outpatient assessment, the authority shall revise the other assessment in consultation with the Washington state hospital association so as to raise the same total amount of assessments. If the assessment fails federal distributional tests, the authority will work with the Washington state hospital association to develop a threshold to enable passage of the test.

(5) The authority shall determine each nonexempt hospital's annual net nonmedicare revenue from the hospital's cost report data file available through the centers for medicare and medicaid services. For calendar year 2024, the authority shall use cost report data for hospitals' fiscal years ending in 2021. For subsequent years, the cost report for the next succeeding fiscal year data must be used. For any hospital without a cost report for the relevant year, including any recently opened hospital, the authority shall use the most recently available cost report or an annualized partial cost report available by June 1st reflecting at least six months of information, for annual nonmedicare net inpatient and outpatient revenue. For purposes of this subsection, annualized means the total amount divided by actual months, multiplied by 12 months. [2023 c 430 § 4; 2019 c 318 § 4; 2017 c 228 § 4; 2015 2nd sp.s. c 5 § 3; 2014 c 143 § 1; 2013 2nd sp.s. c 17 § 4; 2010 1st sp.s. c 30 § 4.]

Contingent effective date—2023 c 430: See note following RCW 74.60.005.

Effective date—2019 c 318: See note following RCW 74.60.005.

Effective date—2017 c 228: See note following RCW 74.60.005.

Effective date—2015 2nd sp.s. c 5: See note following RCW 74.60.005.

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