

WSR 24-22-090

PROPOSED RULES

DEPARTMENT OF HEALTH

[Filed October 31, 2024, 2:38 p.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 24-15-024.

Title of Rule and Other Identifying Information: Hospital financial data reporting; reviewing the accounting and reporting manual requirements for the uniform, hospital, financial reporting system. In response to E2SHB 1272 (chapter 162, Laws of 2021), the department of health (department) is proposing amendments to chapter 246-454 WAC to simplify existing rules regarding the uniform system for hospitals for accounting, financial reporting, budgeting, and cost allocation. Also proposed are amendments to update outdated language within chapter 246-454 WAC, and two sections of Hospitals—Assessments and related reports, WAC 246-451-010 and 246-451-050.

Hearing Location(s): On December 18, 2024, at 11:00 a.m., at the Washington State Department of Health, Town Center 2, Room 166/167, 111 Israel Road S.E., Tumwater, WA 98501; or Zoom. Register in advance for this webinar https://us02web.zoom.us/webinar/register/WN_OXLqv4rZTCCrqDX_R-ZHYA. After registering, you will receive a confirmation email containing information about joining the webinar. The department will be offering a hybrid public hearing. Participants may attend virtually or in person at the physical location. You may also submit comments in writing.

Date of Intended Adoption: December 27, 2024.

Submit Written Comments to: Carrie Baranowski, Department of Health, P.O. Box 47853, Olympia, WA 98504-7853, email <https://fortress.wa.gov/doh/policyreview/>, beginning the date and time of this filing, by December 18, 2024 at 11:59 p.m.

Assistance for Persons with Disabilities: Contact Carrie Baranowski, phone 360-236-4210, TTY 711, email hos@doh.wa.gov, by December 4, 2024.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: Instructions for the uniform system for hospital financial reporting are provided to hospitals within the department Accounting and Reporting Manual for Hospitals (accounting manual). Both the accounting manual and requirements in WAC 246-454-020, 246-454-090, and 246-454-110 contain separate, and competing update and distribution processes. To eliminate confusion for hospitals required to report financial data, the department proposes removing references to the accounting manual from rules, including repealing WAC 246-454-020, 246-454-090, and 246-454-110 to eliminate the outdated processes in favor of maintaining the updated, current practice described in the accounting manual.

Additional amendments to WAC 246-451-010, 246-451-050, and chapter 246-454 WAC modernize rules by updating or eliminating RCW and WAC references that have been repealed and bring rules up-to-date with best practice and current practice.

Reasons Supporting Proposal: E2SHB 1272, which initiated this rule making, strives to increase transparency in hospital financial data. The bill requires the department to revise the uniform, hospital financial reporting system to further delineate hospital expenses and revenue, and monies received by federal, state, or local government in response to national or state-declared emergencies. Instructions for hospital financial reporting are provided by the department in the ac-

counting manual, which has been updated to comply with the new requirements.

The intent of hospital financial data is to bring clarity and transparency to costs associated with health care. The proposed amendments eliminate competing processes and update out-of-date references which provides greater clarity and reduces confusion of reporting requirements for hospital financial data reporters. Rule making is necessary to create rules that are clear, accurate, and implement E2SHB 1272.

Statutory Authority for Adoption: RCW 43.70.052 and E2SHB 1272 (chapter 162, Laws of 2021).

Statute Being Implemented: E2SHB 1272.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Department of health, governmental.

Name of Agency Personnel Responsible for Drafting, Implementation, and Enforcement: Carrie Baranowski, 111 Israel Road, Tumwater, WA 98504, 360-236-4210.

A school district fiscal impact statement is not required under RCW 28A.305.135.

A cost-benefit analysis is not required under RCW 34.05.328. The rule proposal is exempt from a cost-benefit analysis under RCW 34.05.328 (5) (b) (iv) as the proposed rules only correct typographical errors by fixing outdated citations and clarify language of a rule without changing its effect by removing language that is no longer applicable and including amendments that reflect current practices for hospital financial reporting.

This rule proposal, or portions of the proposal, is exempt from requirements of the Regulatory Fairness Act because the proposal:

Is exempt under RCW 19.85.025(3) as the rules only correct typographical errors, make address or name changes, or clarify language of a rule without changing its effect.

Explanation of exemptions: The proposal is exempt as it clarifies the language of a rule without changing its effect, corrects typographical errors including incorrect citations, and removes language that is no longer applicable or accurate.

Scope of exemption for rule proposal:

Is fully exempt.

October 31, 2024
Kristin Peterson, JD
Chief of Policy
for Umair A. Shah, MD, MPH
Secretary of Health

OTS-5860.1

AMENDATORY SECTION (Amending WSR 94-12-089, filed 6/1/94, effective 7/2/94)

WAC 246-451-010 Definitions. As used in this chapter, unless the context requires otherwise,

(1) "Department" shall mean the Washington state department of health created by chapter 43.70 RCW.

(2) "Hospital" shall mean any health care institution which is required to qualify for a license under (~~RCW 70.41.020(2)~~) chapter 70.41 RCW; or as a (~~psychiatric~~) behavioral health hospital under chapter 71.12 RCW.

(3) "Gross operating costs" shall mean the sum of direct operating expenses required to be reported in (~~cost centers 6000-8999, as specified in the manual adopted under WAC 246-454-020~~) the year-end report submitted pursuant to WAC 246-454-050 or, if the year-end report was not submitted, the quarterly report submitted pursuant to WAC 246-454-070 for the same period of time.

AMENDATORY SECTION (Amending WSR 94-12-089, filed 6/1/94, effective 7/2/94)

WAC 246-451-050 Reporting of information. For the purpose of calculating the assessment, the department will use the most recent year-end report submitted pursuant to WAC 246-454-050 or, if the year-end report was not submitted, the quarterly report submitted pursuant to WAC 246-454-070 for the same period of time.