

SENATE BILL REPORT

HB 2237

AS OF JUNE 29, 1991

Brief Description: Improving medicaid financing.

SPONSORS: Representatives Locke, Silver and Ebersole.

Staff: Karen Hayes (786-7715)

BACKGROUND:

Under current federal law, Medicaid provider-specific taxes may be used as source of financing for Medicaid.

The federal government does not participate in funding care for the medically indigent but does participate financially in increased Medicaid payments to hospitals that care for a disproportionate share of such persons.

SUMMARY:

A temporary tax is imposed on medical hospitals and private psychiatric hospitals equal to 20 percent of the state Medicaid receipts. The tax expires the earlier of July 1, 1993, or the date the Secretary of Social and Health Services certifies that the federal government prohibits this as a financing mechanism.

More hospitals qualify for the disproportionate share program.

Hospital services are no longer covered under the medically indigent program but hospitals are held harmless by altering disproportionate share.

Appropriation: yes

Revenue: yes

Fiscal Note: none requested

Effective Date: The bill contains an emergency clause and takes effect July 1, 1991, except the tax and financing changes (sections 1 through 6 and 9) take effect September 1, 1991.