

HOUSE BILL 2308

State of Washington 56th Legislature 1999 1 Special Session
By Representatives Cody, McIntire, Parlette, McMorris, Wood, Gombosky, Tokuda and Kenney

Read first time . Referred to Committee on .

1 AN ACT Relating to maintenance of low-income disproportionate share
2 hospital payments; amending 1999 c 309 s 210 (uncodified); making
3 appropriations; providing an effective date; and declaring an
4 emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 Sec. 1. 1999 c 309 s 210 (uncodified) is amended to read as
7 follows:

8 FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MEDICAL ASSISTANCE
9 PROGRAM

Table with 2 columns: Description and Amount. Rows include General Fund--State Appropriation (FY 2000), General Fund--State Appropriation (FY 2001), General Fund--Federal Appropriation, General Fund--Private/Local Appropriation, Emergency Medical Services and Trauma Care Systems Trust Account--State Appropriation, Health Services Account--State Appropriation, and TOTAL APPROPRIATION.

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2 The appropriations in this section are subject to the following
3 conditions and limitations:

4 (1) The department shall continue to make use of the special
5 eligibility category created for children through age 18 and in
6 households with incomes below 200 percent of the federal poverty level
7 made eligible for medicaid as of July 1, 1994.

8 (2) It is the intent of the legislature that Harborview medical
9 center continue to be an economically viable component of the health
10 care system and that the state's financial interest in Harborview
11 medical center be recognized.

12 (3) Funding is provided in this section for the adult dental
13 program for Title XIX categorically eligible and medically needy
14 persons and to provide foot care services by podiatric physicians and
15 surgeons.

16 (4) \$1,647,000 of the general fund--state appropriation for fiscal
17 year 2000 and \$1,672,000 of the general fund--state appropriation for
18 fiscal year 2001 are provided for treatment of low-income kidney
19 dialysis patients.

20 (5) \$80,000 of the general fund--state appropriation for fiscal
21 year 2000, \$80,000 of the general fund--state appropriation for fiscal
22 year 2001, and \$160,000 of the general fund--federal appropriation are
23 provided solely for the prenatal triage clearinghouse to provide access
24 and outreach to reduce infant mortality.

25 ~~(6) ((The department shall adopt a new formula for distributing~~
26 ~~funds under the low-income disproportionate share hospital (LI-DSH)~~
27 ~~program. Under this new formula, (a) the state's Level 1 trauma center~~
28 ~~shall continue to receive the same amount of LI-DSH payments as in~~
29 ~~fiscal year 1999; and (b) a net profitability factor shall be included~~
30 ~~with other factors to determine LI-DSH payments. The net profitability~~
31 ~~factor shall inversely relate hospital percent net operating income to~~
32 ~~payment under the program.))~~ \$6,400,000 of the health services account
33 appropriation is provided solely to replace general fund--state and
34 general fund--federal funding so that the current level of payments to
35 hospitals under the low-income disproportionate share hospital program
36 can be maintained, under the current low-income disproportionate share
37 hospital payment distribution methodology.

38 (7) The department shall report to the fiscal committees of the
39 legislature by September 15, 1999, and again by December 15, 1999, on

1 (a) actions it has taken and proposes to take to increase the share of
2 medicare part B premium payments upon which it is collecting medicaid
3 matching funds; (b) the percentage of such premium payments for each
4 month of service subsequent to June 1998 which have been paid with
5 unmatched, state-only funds; and (c) why matching funds could not be
6 collected on those payments.

7 (8) The department shall report to the fiscal committees of the
8 legislature by December 1, 1999, and again by October 1, 2000, on the
9 amount which has been recovered from third-party payers as a result of
10 its efforts to improve coordination of benefits on behalf of "basic
11 health plan-plus" enrollees.

12 (9) The department shall report to the health care and fiscal
13 committees of the legislature by December 1, 1999, on options for
14 controlling the growth in medicaid prescription drug expenditures
15 through strategies such as but not limited to volume purchasing,
16 selective contracting, supplemental drug discounts, and improved care
17 coordination for high utilizers.

18 (10) \$3,992,000 of the health services account appropriation and
19 \$7,651,000 of the general fund--federal appropriation are provided
20 solely for health insurance coverage for children with family incomes
21 between 200 percent and 250 percent of the federal poverty level, as
22 provided in Substitute Senate Bill No. 5416 (children's health
23 insurance program). If the bill is not enacted by June 30, 1999, these
24 amounts shall lapse.

25 (11) \$191,000 of the general fund--state appropriation for fiscal
26 year 2000 and \$391,000 of the general fund--state appropriation for
27 fiscal year 2001 are provided solely for implementation of Substitute
28 Senate Bill No. 5587 (patient bill of rights). If the bill is not
29 enacted by June 30, 1999, these amounts shall lapse.

30 (12) Upon approval from the federal health care financing
31 administration, the department shall implement the section 1115 family
32 planning waiver to provide family planning services to persons with
33 family incomes at or below two hundred percent of the federal poverty
34 level.

35 (13) Except in the case of rural hospitals and Harborview medical
36 center, weighted average payments under the ratio-of-cost-to-charges
37 hospital payment system shall increase by no more than 175 percent of
38 the DRI HCFA hospital reimbursement market basket index.

1 (14) In accordance with Substitute Senate Bill No. 5968,
2 \$52,047,000 of the health services account appropriation and
3 \$56,002,000 of the general fund--federal appropriation, or so much
4 thereof as may be expended without exceeding the medicare upper payment
5 limit, are provided solely for supplemental payments to nursing homes
6 operated by rural public hospital districts. Such payments shall be
7 distributed among the participating rural public hospital districts
8 proportional to the number of days of medicaid-funded nursing home care
9 provided by each district during the preceding calendar year, relative
10 to the total number of such days of care provided by all participating
11 rural public hospital districts. Prior to making any supplemental
12 payments, the department shall first obtain federal approval for such
13 payments under the medicaid state plan. The payments shall further be
14 conditioned upon (a) a contractual commitment by the association of
15 public hospital districts and participating rural public hospital
16 districts to make an intergovernmental transfer to the state treasurer,
17 for deposit into the health services account, equal to at least 82
18 percent of the supplemental payment amount; and (b) a contractual
19 commitment by the participating districts to not allow expenditures
20 covered by the supplemental payments to be used for medicaid nursing
21 home rate-setting.

22 NEW SECTION. Sec. 2. This act is necessary for the immediate
23 preservation of the public peace, health, or safety, or support of the
24 state government and its existing public institutions, and takes effect
25 July 1, 1999.

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