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**SUBSTITUTE SENATE BILL 5758**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators Honeyford, Becker, Hargrove, Frockt, Hatfield, and Bailey)

AN ACT Relating to federal medicaid payment reconciliations; adding a new section to chapter 74.09 RCW; and creating a new section.

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

NEW SECTION. **Sec.**  (1) Rural health clinics and federally qualified health centers play an extremely important role in the state's health care system. They are dedicated to maintaining access to health care in rural areas and to underserved areas and populations while constantly striving to improve the quality of health care offered in their communities. These clinics and centers have grown increasingly important as an answer to the access problem with the state's recent expansion of medicaid.

(2) These entities are required to navigate complicated payment, reimbursement, and reconciliation models with both federal and state governments. Additionally, they are burdened with unnecessary and avoidable regulatory hurdles and delays which have the potential to put their solvency and future at risk.

(3) Therefore, it is the intent of the legislature to grant these entities a level of stability and predictability by affirming the existing provision in attachment 4.19-B(II)C of the medicaid state plan requiring the health care authority to complete its annual reconciliation process for each calendar year within two years of the calendar year for which the payments are made, and to create disincentives for the health care authority to fail to administer its annual reconciliation process in accordance with the medicaid state plan.

NEW SECTION. **Sec.**  A new section is added to chapter 74.09 RCW to read as follows:

(1) Beginning with calendar year 2014, in compliance with 42 U.S.C. Sec. 1396a (bb)(5)(A) and in accordance with attachment 4.19-B(II)C of the medicaid state plan, the authority must complete an annual reconciliation of payments to federally qualified health centers and rural health clinics for each calendar year within two years of the calendar year for which the payments are made.

(2) For reconciliations which do not conform with attachment 4.19-B(II)C of the medicaid state plan due to the failure of the authority to complete its reconciliation for each calendar year within two years of the calendar year for which the payments are made, and where there are amounts deemed to be owed to providers by the authority as a result of underpayment for services provided, those amounts shall accrue interest at the annual rate of ten percent beginning on January 1stfollowing the year in which reconciliation should have been completed.

(3) For reconciliations which do not conform with attachment 4.19-B(II)C of the medicaid state plan due to the failure of the authority to complete its reconciliation for each calendar year within two years of the calendar year for which the payments are made, and where there are amounts deemed to be owed to the state by providers, the state must allow the federally qualified health center or rural health center to enter into a reasonable repayment plan. No interest shall be due on the repayment except as provided in RCW 74.09.210.

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