

SHB 1520 - S COMM AMD
By Committee on Ways & Means

ADOPTED 04/11/2017

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 74.09.5225 and 2016 sp.s. c 31 s 2 are each amended
4 to read as follows:

5 (1) Payments for recipients eligible for medical assistance
6 programs under this chapter for services provided by hospitals,
7 regardless of the beneficiary's managed care enrollment status, shall
8 be made based on allowable costs incurred during the year, when
9 services are provided by a rural hospital certified by the centers
10 for medicare and medicaid services as a critical access hospital,
11 unless the critical access hospital is participating in the
12 Washington rural health access preservation pilot described in
13 subsection (2)(b) of this section. Any additional payments made by
14 the authority for the healthy options program shall be no more than
15 the additional amounts per service paid under this section for other
16 medical assistance programs.

17 (2)(a) Beginning on July 24, 2005, except as provided in (b) of
18 this subsection, a moratorium shall be placed on additional hospital
19 participation in critical access hospital payments under this
20 section. However, rural hospitals that applied for certification to
21 the centers for medicare and medicaid services prior to January 1,
22 2005, but have not yet completed the process or have not yet been
23 approved for certification, remain eligible for medical assistance
24 payments under this section.

25 (b)(i) The purpose of the Washington rural health access
26 preservation pilot is to develop an alternative service and payment
27 system to the critical access hospital authorized under section 1820
28 of the social security act to sustain essential services in rural
29 communities.

30 (ii) For the purposes of state law, any rural hospital approved
31 by the department of health for participation in critical access

1 hospital payments under this section that participates in the
2 Washington rural health access preservation pilot identified by the
3 state office of rural health and ceases to participate in critical
4 access hospital payments may renew participation in critical access
5 hospital associated payment methodologies under this section at any
6 time.

7 ~~((ii))~~ (iii) The Washington rural health access preservation
8 pilot is subject to the following requirements:

9 (A) In the pilot formation or development, the department of
10 health, health care authority, and Washington state hospital
11 association will identify goals for the pilot project before any
12 hospital joins the pilot project;

13 (B) Participation in the pilot is optional and no hospital may be
14 required to join the pilot;

15 (C) Before a hospital enters the pilot program, the health care
16 authority must provide information to the hospital regarding how the
17 hospital could end its participation in the pilot if the pilot is not
18 working in its community; ~~(and)~~

19 (D) Payments for services delivered by public health care service
20 districts participating in the Washington rural health access
21 preservation pilot to recipients eligible for medical assistance
22 programs under this chapter must be based on an alternative, value-
23 based payment methodology established by the authority. Subject to
24 the availability of amounts appropriated for this specific purpose,
25 the payment methodology must provide sufficient funding to sustain
26 essential services in the areas served, including but not limited to
27 emergency and primary care services. The methodology must adjust
28 payment amounts based on measures of quality and value, rather than
29 volume. As part of the pilot, the health care authority shall
30 encourage additional payers to use the adopted payment methodology
31 for services delivered by the pilot participants to individuals
32 insured by those payers;

33 (E) The department of health, health care authority, and
34 Washington state hospital association will report interim progress to
35 the legislature no later than December 1, 2018, and will report on
36 the results of the pilot no later than six months following the
37 conclusion of the pilot. The reports will describe any policy changes
38 identified during the course of the pilot that would support small
39 critical access hospitals; and

1 (F) Funds appropriated for the Washington rural health access
2 preservation pilot will be used to help participating hospitals
3 transition to a new payment methodology and will not extend beyond
4 the anticipated three-year pilot period.

5 (3)(a) Beginning January 1, 2015, payments for recipients
6 eligible for medical assistance programs under this chapter for
7 services provided by a hospital, regardless of the beneficiary's
8 managed care enrollment status, shall be increased to one hundred
9 twenty-five percent of the hospital's fee-for-service rates, when
10 services are provided by a rural hospital that:

11 (i) Was certified by the centers for medicare and medicaid
12 services as a sole community hospital as of January 1, 2013;

13 (ii) Had a level III adult trauma service designation from the
14 department of health as of January 1, 2014;

15 (iii) Had less than one hundred fifty acute care licensed beds in
16 fiscal year 2011; and

17 (iv) Is owned and operated by the state or a political
18 subdivision.

19 (b) The enhanced payment rates under this subsection shall be
20 considered the hospital's medicaid payment rate for purposes of any
21 other state or private programs that pay hospitals according to
22 medicaid payment rates.

23 (c) Hospitals participating in the certified public expenditures
24 program may not receive the increased reimbursement rates provided in
25 this subsection (3) for inpatient services.

26 NEW SECTION. Sec. 2. If specific funding for the purposes of
27 this act, referencing this act by bill or chapter number, is not
28 provided by June 30, 2017, in the omnibus appropriations act, this
29 act is null and void."

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30 On page 1, line 3 of the title, after "pilot;" strike the
31 remainder of the title and insert "amending RCW 74.09.5225; and
32 creating a new section."

EFFECT: Clarifies the funds appropriated for the Washington rural health access preservation pilot are transitional and do not continue after the 3-year pilot period.
Adds a null and void clause.

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