
Health Care & Wellness Committee

2SSB 5103

Brief Description: Concerning payment to acute care hospitals for difficult to discharge medicaid patients.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Muzzall, Cleveland and Rivers).

Brief Summary of Second Substitute Bill

- Requires hospitals to be reimbursed for medical assistance enrollees staying in a hospital when they do not meet inpatient care criteria and are not discharged from the hospital because an appropriate placement is not available.
- Directs the Health Care Authority to adopt rules to identify which health care services must be included in the daily reimbursement rate and which services may be billed separately for patients who are in a hospital and do not meet inpatient criteria.

Hearing Date: 3/21/23

Staff: Christopher Blake (786-7392).

Background:

Medical Assistance.

The Health Care Authority (Authority) administers medical assistance programs, primarily through Medicaid, that pay for health care for low-income state residents who meet certain eligibility criteria. Washington offers a complete medical benefits package to eligible families, children under age 19, low-income adults, certain disabled individuals, and pregnant women. Payments to health care providers and facilities for health care services may be made either

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directly by the Authority on a fee-for-service basis or through a managed care arrangement.

Medical Assistance Reimbursement for Hospital Stays.

The Authority pays for the hospital stays of medical assistance enrollees if the attending physician orders admission and the admission and treatment meet coverage standards. Hospital services include: emergency room services; hospital room and board, including nursing care; inpatient services, supplies, equipment, and prescription drugs; surgery and anesthesia; diagnostic testing and laboratory work; and radiation and imaging services. The Authority only pays for medically necessary services that are the least costly and equally effective treatment for the client.

Hospitals may receive an "administrative day rate" for days of a hospital stay when a client does not meet the medical necessity criteria for acute inpatient care, but is not discharged because:

- an appropriate placement outside the hospital is not available; or
- the postpartum parent's newborn remains in the hospital for monitoring post-in utero exposure to substances that may lead to psychologic dependence and continuous care by the parent is the appropriate first-line treatment.

The administrative day rate is set annually using the statewide average nursing home rate.

Summary of Bill:

Hospitals may receive payment for any day of a hospital stay in which a patient who is enrolled in a medical assistance program: (1) does not meet the criteria for acute inpatient levels of care; (2) meets the criteria for discharge to any appropriate placement, such as a nursing home, assisted living facility, adult family home, or residential setting funded by the Developmental Disabilities Administration; and (3) is not discharged from the hospital because an appropriate placement is not available.

The Health Care Authority must adopt rules identifying which services are included in the rate and which services may be billed separately. Medically necessary services performed during the stay, pharmacy services, and pharmaceuticals must be billed and paid separately.

The hospital must use any swing beds or skilled nursing beds within the hospital for patients who meet skilled nursing care criteria if such a placement meets the patient's care needs, the patient is appropriate for the existing patient mix, and appropriate staffing is available.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.