SENATE BILL REPORT
SHB 2051

As of April 23, 2025

Title: An act relating to payment to acute care hospitals for difficult to discharge medicaid patients.

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

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Gregerson, Macri, Parshley and Ormsby).

Brief History: Passed House: 4/17/25, 57-38.
Committee Activity: Ways & Means: 4/23/25.

Brief Summary of Bill

- Removes the requirement for 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.
- Removes the requirement that medically necessary services which may include, but are are not limited to, hemodialysis, laboratory charges, and X-rays, performed during a stay shall be billed by and paid to the hospital separately.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Sandy Stith (786-7710)

Background: Medical Assistance. The Health Care Authority (HCA) 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

---

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

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 directly by HCA on a fee-for-service basis, or through a managed care arrangement.

Medical Assistance Reimbursement for Hospital Stays. HCA 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.

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, even when the patient 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. The administrative day rate is set annually using the statewide average nursing home rate. HCA 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.

Summary of Bill: The requirement that hospitals 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, is removed.

The requirement is removed for HCA to adopt rules identifying which services are included in the administrative day rate and which services may be billed separately. The requirement that medically necessary services performed during a stay shall be billed by and paid to the hospital separately is removed, including services such as hemodialysis, laboratory charges, and X-rays.

Appropriation: None.

Fiscal Note: Partial fiscal note available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: CON: The people who are in these beds are difficult to discharge. Hospitals will have to absorb these costs that they would otherwise be reimbursed in an outpatient setting. Harborview Medical Center had 205 people who were

difficult to discharge last year.

Persons Testifying:

CON: Katie Kolan, Washington State Hosptial Association.

Persons Signed In To Testify But Not Testifying: No one.