

**SENATE BILL REPORT**

**SHB 2993**

**AS OF MARCH 7, 1992**

**Brief Description:** Creating the rural health access account.

**SPONSORS:** House Committee on Appropriations (originally sponsored by Representatives Orr, Locke, Inslee, Spanel, Rayburn, Roland and Rasmussen)

**Staff:** Cindi Holmstrom (786-7715)

**BACKGROUND:**

Federal law permits states to count revenue derived from intergovernmental transfers as a source of revenue for federal Medicaid match. Funds transferred to the state from public hospital districts can be used as nonfederal match.

A new program is provided in both the House and Senate budgets which allows rural hospital districts to make an intergovernmental transfer to the state of \$9 million, which will be matched with \$11 million of federal funds. These funds will be used to make \$20 million in extra Medicaid payments to rural hospitals for a gain to the hospitals of \$11 million.

A few private rural hospitals will gain from the extra Medicaid payment, but because they are not public hospital districts they cannot participate in the intergovernmental transfer to the state. These private hospitals have agreed to donate funds to an account which will be used to benefit rural hospitals.

**SUMMARY:**

A rural health access account is established. The account may receive moneys from gifts or grants to the state to be used for rural health programs. Funds may be expended from the account without an appropriation. Administration costs incurred by the Department of Health will be paid from the account.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** none requested