

# SENATE BILL REPORT

## 2SHB 3016

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As of February 21, 2000

**Title:** An act relating to providing state medical assistance reimbursements for small rural hospitals that meet the criteria of a critical access hospital.

**Brief Description:** Creating a reimbursement system for the state's medical assistance programs in rural hospitals.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Parlette and Cody).

**Brief History:**

**Committee Activity:** Health & Long-Term Care: 2/21/2000.

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### SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

**Staff:** Rhoda Jones (786-7198)

**Background:** The federal Health Care Financing Administration allows small rural hospitals, which provide critical services to a community, to be reimbursed for Medicare services on a cost-based system. These are higher rates than those otherwise paid by Medicare. Hospitals which receive these rates are required to meet specific criteria set out by the federal government. This enhanced payment system under the Critical Care Access Hospital program does not apply to the state's medical assistance program, even though many services in rural hospitals are paid for by medical assistance.

**Summary of Bill:** The Department of Social and Health Services may consider small, rural hospitals eligible for cost-based reimbursement for their Medicaid services if the hospitals meet certain criteria. If cost-based reimbursement is considered, it is determined by the hospital's cost to charges ratio.

The bill is null and void if not provided for by June 30, 2000 in the Omnibus Appropriations Act.

**Appropriation:** None.

**Fiscal Note:** Available.

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