

FINAL BILL REPORT

SHB 2289

C 383 L 05

Synopsis as Enacted

Brief Description: Limiting hospital participation for medical assistance programs.

Sponsors: By House Committee on Appropriations (originally sponsored by Representatives Sommers and Cody).

House Committee on Appropriations

Background:

The Federal Balanced Budget Act of 1997 established the Critical Access Hospital Program (Program). Through the Program, the federal Centers for Medicare and Medicaid Services use a cost-based approach to reimburse certain rural hospitals for services provided to Medicare clients. This Program, after certifying that a hospital meets the specified eligibility criteria, provides the hospital with a higher rate of reimbursement than is otherwise paid under Medicare.

A similar reimbursement system for the state's medical assistance programs was established in 2001 to reimburse critical access hospitals based on allowable costs for services provided to persons enrolled in the Department of Social and Health Services Medical Assistance programs. Washington has 37 hospitals certified as critical access hospitals.

Summary:

A moratorium is placed on additional hospitals receiving reimbursement based on allowable costs as a critical access hospital for services provided to medical assistance clients. Hospitals that have applied for certification prior to January 1, 2005, will, if certified, be eligible for the allowable cost-based medical assistance reimbursement.

Votes on Final Passage:

House	55	43
Senate	31	17

Effective: July 24, 2005