
Appropriations Committee

HB 2791

Brief Description: Adjusting timelines relating to the hospital safety net assessment.

Sponsors: Representatives Hunter, Appleton, Jinkins and Tharinger.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Removes the provisions of the Hospital Safety Net Assessment Program that phase out the assessments, supplemental payments, and increased managed care payments by July 1, 2019.
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Hearing Date: 3/1/14

Staff: Erik Cornellier (786-7116).

Background:

Medical Assistance.

Medical assistance is available to eligible low-income state residents and their families from the Health Care Authority (HCA), primarily through the Medicaid program. Most of the state medical assistance programs are funded with matching federal funds in various percentages. Federal funding for the Medicaid program is conditioned on the state having an approved Medicaid state plan and related state laws to enforce the plan. Coverage is provided through fee-for-service (FFS) and managed care systems.

Managed Care.

Managed care is a prepaid, comprehensive system of medical and health care delivery, including preventive, primary, specialty, and ancillary health services. Healthy Options is the HCA Medicaid managed care program for low-income people in Washington. Healthy Options offers eligible families, children under age 19, certain disabled individuals, pregnant women, and low-income adults a complete medical benefits package.

Supplemental Payments.

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

In addition to reimbursement for Medicaid services, states may make supplemental payments to certain providers that are separate from and in addition to reimbursements made at standard payment rates. Supplemental payments are eligible for federal matching funds if aggregate payments to the providers receiving the supplemental payments are less than what Medicare would pay for the same services.

Medicaid Provider Taxes.

Provider taxes, including licensing fees and assessments, have been used by some states to help fund the costs of the Medicaid program. States collect funds from providers and pay them back as Medicaid payments, and states can claim the federal matching share of those payments.

Hospital Safety Net Assessment Program.

Assessments are imposed on most hospitals, and proceeds from the assessments are deposited into the Hospital Safety Net Assessment Fund (Fund). Money in the Fund may be used for various payments to hospitals, including supplemental payments and increased managed care payments for hospital services. The assessments, supplemental payments, and increased managed care payments phase down to zero by July 1, 2019. The sum of \$199.8 million in the 2013-15 biennium may be expended from the Fund in lieu of State General Fund payments to hospitals. That amount also phases down to zero by July 1, 2019.

Summary of Bill:

The provisions of the Hospital Supply Net Assessment Program that phase out the assessments, supplemental payments, and increased managed care payments by July 1, 2019, are removed.

Appropriation: None.

Fiscal Note: Requested on February 26, 2014.

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