

FINAL BILL REPORT

ESSB 6570

C 143 L 14
Synopsis as Enacted

Brief Description: Adjusting timelines for fiscal year 2014 relating to the hospital safety net assessment.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Becker, Keiser, Hargrove, Braun, Hill and Ranker; by request of Health Care Authority).

Senate Committee on Ways & Means
House Committee on Appropriations

Background: Provider charges, either assessments, fees, or taxes, have been used by some states to help fund the costs of the Medicaid program. Under federal rules, this would include any mandatory payment where at least 85 percent of the burden falls on health care providers. States collect funds from providers and pay them back as Medicaid payments, and states can claim the federal matching share of those payments.

The Legislature first created a Hospital Safety Net Assessment (HSNA) program in 2010. The program was set to expire on July 1, 2013. In the 2013 legislative session, the Legislature extended and modified the HSNA program in Engrossed Substitute Senate Bill 5913 (ESSB 5913).

In ESSB 5913, assessments are imposed on most hospitals, and proceeds from the assessments are deposited into the HSNA 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 General Fund-State payments to hospitals. That amount also phases down to zero by July 1, 2019.

ESSB 5913 contained an emergency clause and was effective July 1, 2013. The legislation directs the Health Care Authority (HCA) to begin charging assessments in quarterly installments beginning on July 1, 2013. HCA did not begin collecting assessments until October 1, 2013 due to a delay in receiving federal approval for the program. As a result, the delay will increase General Fund-State spending by approximately \$25 million from enacted budget levels.

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.

Summary: HCA is directed to collect all of fiscal year 2014's assessments between October 1, 2013, and June 30, 2014.

The timing for charging assessments and making supplemental payments and increased managed care payments is adjusted to reflect the October 1, 2013, start date.

Votes on Final Passage:

Senate	42	5
House	75	23

Effective: March 28, 2014