
SUBSTITUTE HOUSE BILL 1635

State of Washington 63rd Legislature 2013 Regular Session

By House Appropriations (originally sponsored by Representatives Morrell, Cody, Jinkins, Ryu, and Pollet; by request of Health Care Authority)

READ FIRST TIME 02/18/13.

1 AN ACT Relating to disproportionate share hospital adjustments; and
2 amending RCW 74.09.730.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 74.09.730 and 2011 1st sp.s. c 15 s 47 are each
5 amended to read as follows:

6 ~~((In establishing Title XIX payments for inpatient hospital
7 services:~~

8 ~~(1) To the extent funds are appropriated specifically for this
9 purpose, and subject to any conditions placed on appropriations made
10 for this purpose, the authority shall provide a disproportionate share
11 hospital adjustment considering the following components:~~

12 ~~(a) A low income care component based on a hospital's medicaid
13 utilization rate, its low income utilization rate, its provision of
14 obstetric services, and other factors authorized by federal law;~~

15 ~~(b) A medical indigency care component based on a hospital's
16 services to persons who are medically indigent; and~~

17 ~~(c) A state only component, to be paid from available state funds
18 to hospitals that do not qualify for federal payments under (b) of this~~

1 subsection, based on a hospital's services to persons who are medically
2 indigent;

3 ~~(2) The payment methodology for disproportionate share hospitals~~
4 ~~shall be specified by the authority in regulation.~~

5 ~~-(3))~~ (1) When determining its payment rates for hospital services
6 provided to medical assistance recipients, the authority, in accordance
7 with 42 U.S.C. 1396a(13)(A)(iv) and to the extent that funds are
8 appropriated specifically for this purpose, shall establish a
9 low-income disproportionate share hospital payment mechanism that takes
10 into account the situation of hospitals serving a disproportionate
11 number of low-income patients with special needs.

12 (2) The low-income disproportionate share hospital payment
13 mechanism must comply with the requirements of 42 U.S.C. 1396r-4.

14 (3) Authority expenditures in each federal fiscal year for
15 disproportionate share hospital payments may not exceed the amount
16 specified in 42 U.S.C. 1396r-4(f) or in regulations or guidance issued
17 by the federal centers for medicare and medicaid services as available
18 for federal financial participation.

19 (4) If sufficient funds are specifically appropriated by the
20 legislature in the biennial appropriations act for such purpose, the
21 authority has authority to create and maintain disproportionate share
22 hospital payment mechanisms in addition to the low-income
23 disproportionate share hospital payment mechanism.

24 (5) The director may adopt rules to carry out the purposes of this
25 section.

26 (6) Nothing in this section shall be construed as a right or an
27 entitlement by any hospital to any payment from the authority.

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