S-4639.1

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**SECOND SUBSTITUTE SENATE BILL 6322**

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**State of Washington 64th Legislature 2016 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators Pearson and Hewitt)

AN ACT Relating to the payment of health services by hospitals for inmates; and amending RCW 72.10.030.

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

**Sec.**  RCW 72.10.030 and 2012 c 237 s 2 are each amended to read as follows:

(1) Notwithstanding any other provisions of law, the secretary may enter into contracts with health care practitioners, health care facilities, and other entities or agents as may be necessary to provide medical, behavioral health, and chemical dependency treatment care to inmates. The contracts shall not cause the termination of classified employees of the department rendering the services at the time the contract is executed.

(2) In contracting for services, the secretary is authorized to provide for indemnification of health care practitioners who cannot obtain professional liability insurance through reasonable effort, from liability on any action, claim, or proceeding instituted against them arising out of the good faith performance or failure of performance of services on behalf of the department. The contracts may provide that for the purposes of chapter 4.92 RCW only, those health care practitioners with whom the department has contracted shall be considered state employees.

(3) Providers of hospital services that are hospitals licensed under chapter 70.41 RCW shall contract with the department for inpatient, outpatient, and ancillary services if deemed appropriate by the department. Payments to hospitals shall conform to the following requirements:

(a) The department shall pay hospitals through the provider one system operated by the Washington state health care authority;

(b) The department shall reimburse the hospitals using the reimbursement methodology in use by the state medicaid program; ((~~and~~))

(c) The department shall only reimburse a provider of hospital services to a hospital patient at a rate no more than the amount payable under the medicaid reimbursement structure plus a percentage increase that is determined in the operating budget, regardless of whether the hospital is located within or outside of Washington; and

(d) Subject to the availability of amounts appropriated for this specific purpose, the department shall pay an enhanced rate of one hundred fifty percent of the amount payable under the medicaid reimbursement structure to hospitals that meet all of the following criteria:

(i) The hospital is an acute care hospital in Washington state that does not receive cost–based payment as a critical access hospital under the state medicaid program;

(ii) The hospital receives at least one and one-half percent of its net patient revenues from services paid by the department; and

(iii) The hospital receives at least thirty-five percent of its total net patient revenues from a combination of medicare and medicaid net patient revenues.

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