
Health Care & Wellness Committee

2SSB 5532

Brief Description: Providing enhanced payment to low volume, small rural hospitals.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators King, Cleveland, Lovelett, Warnick and Wellman).

Brief Summary of Second Substitute Bill

- Requires that Medicaid payments for acute care services be made at 120 percent of the Medicaid fee schedule for inpatient services and 200 percent of the Medicaid fee schedule for outpatient services when services are provided by a hospital that meets certain requirements.

Hearing Date: 3/21/23

Staff: Emily Poole (786-7106).

Background:

The Critical Access Hospital Program allows hospitals under Washington's medical assistance programs to receive payment for hospital services based on allowable costs, rather than a set amount per diagnosis or procedure, and to have more flexibility in staffing. There are 39 hospitals in Washington that are federally certified by the Centers for Medicare and Medicaid Service as Critical Access Hospitals. These are hospitals with 25 beds or fewer that are generally located in rural areas. They must deliver continuous emergency department services, and they may not have an average length of stay of more than 96 hours per patient. Most Critical Access Hospitals are operated by public hospital districts.

Summary of Bill:

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

Beginning January 1, 2024, through December 31, 2028, Medicaid payments for acute care services provided by a hospital are increased to 120 percent of the hospital's fee-for-service rate for inpatient services and 200 percent of the hospital's fee-for-service rate for outpatient services, when services are provided by a hospital that:

- is not currently designated as a Critical Access Hospital, and does not meet current federal eligibility requirements for designation as a Critical Access Hospital;
- has Medicaid inpatient days greater than 50 percent of all hospital inpatient days as reported on the hospital's most recently filed Medicare Cost Report with the state; and
- is located on the land of a federally recognized Indian tribe.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2023.