

FINAL BILL REPORT

2SSB 5103

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Synopsis as Enacted

Brief Description: Concerning payment to acute care hospitals for difficult to discharge medicaid patients.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Muzzall, Cleveland and Rivers).

Senate Committee on Health & Long Term Care

Senate Committee on Ways & Means

House Committee on Health Care & Wellness

House Committee on Appropriations

Background: The Health Care Authority (HCA) administers the Medicaid program, which is a state-federal program that pays for health care for low-income state residents who meet certain eligibility criteria. Washington's Medicaid program, known as Apple Health, offers a complete medical benefits package, including prescription drug coverage, to eligible families, children under age 19, low-income adults, certain disabled individuals, and pregnant people.

Reimbursement for Inpatient Hospital Stays. HCA pays for the hospital stays of Apple Health enrollees if the attending physician orders admission and the admission and treatment meet coverage standards. Hospital services include emergency room services; hospital room and board, including nursing care; inpatient services, supplies, equipment, and prescription drugs; surgery and anesthesia; diagnostic testing and laboratory work; and radiation and imaging services.

Hospitals may receive an administrative day rate for days of a hospital stay when a client does not meet the medical necessity criteria for acute inpatient care, but is not discharged because:

- an appropriate placement outside the hospital is not available, which is considered a no placement administrative day; or
- the postpartum parent's newborn remains on an inpatient claim for monitoring post-in

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utero exposure to substances leading to physiologic dependence and continuous care by the postpartum parent is appropriate first-line treatment, which is considered a newborn administrative day.

HCA pays the administrative day rate to the hospital starting with the date of hospital admission if the admission is solely for a no placement administrative day. The administrative day rate is set annually using the statewide average nursing home rate as of that date. As of November 1, 2022, the current administrative day rate is \$338.91.

Summary: HCA must require or provide payment to the hospital for allowable necessary services performed during a hospital stay for any day of a hospital stay for an adult or child enrolled in medical assistance, including those individuals receiving home and community services or with a Medicaid managed care organization, if the hospital stay meets the following requirements:

- does not meet the criteria for acute inpatient level of care;
- meets the criteria for discharge to any appropriate placement including, but not limited to, in a licensed nursing home, a licensed assisted living facility, a licensed adult family home, or a setting which residential services are provided or funded by DSHS Developmental Disabilities Administration, which includes supported living services; and
- is not discharged from the hospital because placement in the appropriate facility as listed above is not available.

HCA must adopt rules identifying which services are included in the payment and which services may be billed separately, including specific revenue codes or services required on the inpatient claim.

Allowable medically necessary services performed during the stay must be billed by and paid to the hospital separately. These services may include, but are not limited to, hemodialysis, laboratory charges, and x-rays. Pharmacy services and pharmaceuticals must be billed and paid to the hospital separately.

These requirements do not alter requirements for inpatient care billing or payment.

HCA may adopt, amend, or rescind such administrative rules necessary to facilitate calculation and payment of the amounts, including for clients of Medicaid managed care organizations.

HCA must adopt rules requiring Medicaid managed care organizations to establish specific and uniform administrative and review processes for these payments.

Hospitals are required to use existing swing beds or skilled nursing beds for patients meeting the payment methodology criteria to the extent that those services are available prior to billing for additional services.

HCA must submit a report to the fiscal committees of the Legislature with information about the rate established for hospitals with regard to patients who are in a hospital and do not meet inpatient levels of care, but are not able to be discharged because there is no appropriate placement available.

Votes on Final Passage:

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| Senate | 49 | 0 | |
| House | 97 | 0 | (House amended) |
| Senate | 46 | 0 | (Senate concurred) |

Effective: July 23, 2023