
ENGROSSED HOUSE BILL 1812

State of Washington

68th Legislature

2023 Regular Session

By Representatives Springer, Stokesbary, Chopp, and Chapman

Read first time 02/10/23. Referred to Committee on Finance.

1 AN ACT Relating to continuing the business and occupation tax
2 deduction for federal funds received from a medicaid transformation
3 or demonstration project or medicaid quality improvement program or
4 standard; amending RCW 82.04.43395; and creating a new section.

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

6 **Sec. 1.** RCW 82.04.43395 and 2019 c 350 s 1 are each amended to
7 read as follows:

8 (1) An accountable community of health may deduct from the
9 measure of tax delivery system reform incentive payments, medicaid
10 transformation project funding, or both, distributed by the
11 Washington state health care authority, as described in Sec. 1115
12 medicaid demonstration project number 11-W-00304/0, as approved by
13 the centers for medicare and medicaid services in accordance with
14 Sec. 1115(a) of the social security act.

15 (2) A hospital that is owned by a municipal corporation or
16 political subdivision, or a hospital that is affiliated with a state
17 institution, may deduct from the measure of tax either or both of the
18 following:

19 (a) Incentive payments received through the medicaid quality
20 improvement program established through 42 C.F.R. 438.6(b)(2) (~~as~~
21 ~~existing on July 28, 2019~~);

1 (b) Delivery system reform incentive payments, medicaid
2 transformation project funding, or both, received through the project
3 described in Sec. 1115 medicaid demonstration project number 11-
4 W-00304/0, approved by the centers for medicare and medicaid services
5 in accordance with Sec. 1115(a) of the social security act.

6 (3) Managed care organizations may deduct from the measure of tax
7 the incentive payments received for achieving quality performance
8 standards established through 42 C.F.R. 438.6(b)(2), as existing on
9 July 28, 2019.

10 (4) The definitions in this subsection apply throughout this
11 section unless the context clearly requires otherwise.

12 (a) "Accountable community of health" means ~~((an—entity~~
13 ~~designated by the health care authority as a community of health~~
14 ~~under RCW 41.05.800 and any additional accountable communities of~~
15 ~~health authorized by the health care authority))~~ a regional nonprofit
16 designated by the health care authority to work together with the
17 health care delivery system, health plans, public health, social
18 services, community-based organizations, the justice system, schools,
19 tribal partners, and local government leaders to improve the health
20 equity of their communities as part of Sec. 1115 medicaid
21 demonstration project number 11-W-00304/0.

22 (b) "Managed care organization" has the same meaning as provided
23 in RCW 74.60.010.

24 NEW SECTION. **Sec. 2.** RCW 82.32.805 and 82.32.808 do not apply
25 to this act.

--- END ---