

**RCW 74.60.090 Grants to certified public expenditure hospitals. (Contingent expiration date.)** (1) In each fiscal year commencing upon satisfaction of the applicable conditions in RCW 74.60.150(1), funds must be disbursed from the fund and the authority shall make grants to certified public expenditure hospitals, which shall not be considered payments for hospital services, as follows:

(a) University of Washington medical center: Up to twelve million fifty-five thousand dollars in state fiscal year 2022 through 2025 paid as follows, except if the full amount of the payments required under RCW 74.60.120(1) and 74.60.130 cannot be distributed in a given fiscal year, the amounts in this subsection must be reduced proportionately:

(i) Five million nine hundred fifty-five thousand dollars in state fiscal years 2022 through 2025;

(ii) Two million dollars to integrated, evidence-based psychiatry residency program slots that did not receive state funding prior to 2016, at the integrated psychiatry residency program at the University of Washington; and

(iii) Four million one hundred thousand dollars to family medicine residency program slots that did not receive state funding prior to 2016, as directed through the family medicine residency network at the University of Washington, for slots where residents are employed by hospitals;

(b) Harborview medical center: Ten million two hundred sixty thousand dollars in each state fiscal year 2022 through 2025, except if the full amount of the payments required under RCW 74.60.120(1) and 74.60.130 cannot be distributed in a given fiscal year, the amounts in this subsection must be reduced proportionately;

(c) All other certified public expenditure hospitals: Five million six hundred fifteen thousand dollars in each state fiscal year 2022 through 2025, except if the full amount of the payments required under RCW 74.60.120(1) and 74.60.130 cannot be distributed in a given fiscal year, the amounts in this subsection must be reduced proportionately. The amount of payments to individual hospitals under this subsection must be determined using a methodology that provides each hospital with a proportional allocation of the group's total amount of medicaid and state children's health insurance program payments determined from claims and encounter data using the same general methodology set forth in RCW 74.60.120 (3) and (4).

(2) Payments must be made quarterly, before the end of each quarter, taking the total disbursement amount and dividing by four to calculate the quarterly amount. The authority shall provide a quarterly report of such payments to the Washington state hospital association. [2021 c 255 § 3; 2019 c 318 § 6; 2017 c 228 § 6; 2015 2nd sp.s. c 5 § 5; 2013 2nd sp.s. c 17 § 8; 2011 1st sp.s. c 35 § 2; 2010 1st sp.s. c 30 § 10.]

**Effective date—2019 c 318:** See note following RCW 74.60.005.

**Effective date—2017 c 228:** See note following RCW 74.60.005.

**Effective date—2015 2nd sp.s. c 5:** See note following RCW 74.60.005.

**Effective date—2013 2nd sp.s. c 17:** See note following RCW 74.60.005.

**Effective date—2011 1st sp.s. c 35:** See note following RCW 74.60.020.

**RCW 74.60.090 Medicaid directed payment program. (Contingent effective date.)**

(1) In consultation with the Washington state hospital association, the authority shall design and implement a medicaid directed payment program, consistent with 42 C.F.R. Sec. 438.6(c), intended to promote access to high quality inpatient and outpatient care provided by designated public hospitals to medicaid beneficiaries enrolled in managed care organizations.

(2) The directed payment program described in subsection (1) of this section shall promote access and improve the equitable distribution of care to underserved populations by increasing payments to managed care organizations for the purpose of increasing reimbursement of designated public hospitals for inpatient and outpatient services provided to managed care enrollees, to 95 percent of the centers for medicare and medicaid services allowable limit, plus an estimated amount to support each eligible hospital's participation in the quality incentive program under RCW 74.09.611, which shall be allocated solely to eligible designated public hospitals pursuant to RCW 74.60.020(4)(f). The authority shall share its federal limit calculations with the Washington state hospital association.

(3) Payments to individual managed care organizations shall be determined by the authority based on each managed care organization's payments made to designated public hospitals for medicaid inpatient and outpatient services. The authority shall make this determination in consultation with the Washington state hospital association.

(4) Managed care organizations shall make directed payments described in this section to designated public hospitals within 21 calendar days of receiving the full amount of funds from the authority.

(5) The managed care organization payments made pursuant to this section shall be derived from intergovernmental transfers voluntarily made by, and accepted from, designated public hospitals.

(a) Participation in the intergovernmental transfers used to fund the program described by this section is voluntary on the part of transferring entities for the purposes of all applicable federal laws.

(b) All funds associated with intergovernmental transfers made and accepted pursuant to this section must be used either to fund additional managed care organization payments under this section to benefit designated public hospitals or, for those designated public hospitals determined to be eligible for payment under RCW 74.09.611, for deposit into the hospital safety net assessment fund established under RCW 74.60.020 solely for the purpose of providing funding, under RCW 74.60.020(4)(f), for payments to designated public hospitals eligible for payment under RCW 74.09.611.

(c) Medicaid managed care organizations shall pay on a quarterly basis 100 percent of any payments made pursuant to this section to designated public hospitals, less an allowance for premium taxes the organization is required to pay under Title 48 RCW, for the purpose of promoting access and increasing the quality of care delivered to medicaid enrollees.

(6) The intergovernmental transfers associated with the direct payments described in this section shall be collected by the authority

within a reasonable time frame in relation to the date on which the state is required to furnish each hospital's nonfederal share of expenditures pursuant to the program described by this section and approved by the centers for medicare and medicaid services or after a determination of eligibility is made, for the program described under RCW 74.09.611.

(7) As a condition of participation under this section, medicaid managed care organizations and designated public hospitals shall:

(a) Agree to comply with any requests for information or similar data requirements imposed by the authority for purposes of obtaining supporting documentation necessary to claim federal funds or to obtain federal approvals; and

(b) Agree to participate in and provide requested data associated with payment arrangement quality strategy goals and objectives identified by the approved program.

(8) This section shall be implemented only if and to the extent federal financial participation is available and is not otherwise jeopardized, and any necessary federal approvals have been obtained.

(9) To the extent that the director determines that the payments made pursuant to this section do not comply with federal medicaid requirements, the director retains the discretion to return or not accept all or a portion of an intergovernmental transfer, and may adjust payments pursuant to this section as necessary to comply with federal medicaid requirements.

(10) Conditioned upon required federal approvals, the directed payments under this section shall commence January 1, 2024. If federal approval is obtained after January 1, 2024, the payments shall commence within 30 calendar days following the approval. [2023 c 430 § 8; 2021 c 255 § 3; 2019 c 318 § 6; 2017 c 228 § 6; 2015 2nd sp.s. c 5 § 5; 2013 2nd sp.s. c 17 § 8; 2011 1st sp.s. c 35 § 2; 2010 1st sp.s. c 30 § 10.]

**Contingent effective date—2023 c 430:** See note following RCW 74.60.005.

**Effective date—2019 c 318:** See note following RCW 74.60.005.

**Effective date—2017 c 228:** See note following RCW 74.60.005.

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**Effective date—2013 2nd sp.s. c 17:** See note following RCW 74.60.005.

**Effective date—2011 1st sp.s. c 35:** See note following RCW 74.60.020.