
HOUSE BILL 2130

State of Washington 62nd Legislature 2011 2nd Special Session

By Representatives Cody and Hunter; by request of Health Care Authority

Read first time 11/30/11. Referred to Committee on Ways & Means.

1 AN ACT Relating to cost-based reimbursement for critical access
2 hospitals; amending RCW 74.09.5225 and 74.60.010; and providing an
3 expiration date.

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

5 **Sec. 1.** RCW 74.09.5225 and 2011 1st sp.s. c 15 s 31 are each
6 amended to read as follows:

7 (1) ~~((Payments for recipients eligible for medical assistance~~
8 ~~programs under this chapter for services provided by hospitals,~~
9 ~~regardless of the beneficiary's managed care enrollment status, shall~~
10 ~~be made based on allowable costs incurred during the year, when~~
11 ~~services are provided by a rural hospital)) With respect to services
12 provided to recipients eligible for medical assistance programs under
13 this chapter, the authority shall specify in rule the methodology by
14 which it will pay rural hospitals certified by the centers for medicare
15 and medicaid services as ((a)) critical access hospitals. ~~((Any~~
16 ~~additional payments made by the authority for the healthy options~~
17 ~~program shall be no more than the additional amounts per service paid~~
18 ~~under this section for other medical assistance programs.))~~~~

1 (2) Beginning on July 24, 2005, a moratorium shall be placed on
2 additional hospital participation in critical access hospital payments
3 under this section. However, rural hospitals that applied for
4 certification to the centers for medicare and medicaid services prior
5 to January 1, 2005, but have not yet completed the process or have not
6 yet been approved for certification, remain eligible for medical
7 assistance payments under this section.

8 **Sec. 2.** RCW 74.60.010 and 2010 1st sp.s. c 30 s 2 are each amended
9 to read as follows:

10 The definitions in this section apply throughout this chapter
11 unless the context clearly requires otherwise.

12 (1) "Certified public expenditure hospital" means a hospital
13 participating in the department's certified public expenditure payment
14 program as described in WAC 388-550-4650 or successor rule.

15 (2) "Critical access hospital" means a hospital as described in RCW
16 74.09.5225.

17 (3) "Department" means the department of social and health
18 services.

19 (4) "Fund" means the hospital safety net assessment fund
20 established under RCW 74.60.020.

21 (5) "Hospital" means a facility licensed under chapter 70.41 RCW.

22 (6) "Long-term acute care hospital" means a hospital which has an
23 average inpatient length of stay of greater than twenty-five days as
24 determined by the department of health.

25 (7) "Managed care organization" means an organization having a
26 certificate of authority or certificate of registration from the office
27 of the insurance commissioner that contracts with the department under
28 a comprehensive risk contract to provide prepaid health care services
29 to eligible clients under the department's medicaid managed care
30 programs, including the healthy options program.

31 (8) "Medicaid" means the medical assistance program as established
32 in Title XIX of the social security act and as administered in the
33 state of Washington by the department of social and health services.

34 (9) "Medicare cost report" means the medicare cost report, form
35 2552-96, or successor document.

36 (10) "Nonmedicare hospital inpatient day" means total hospital
37 inpatient days less medicare inpatient days, including medicare days

1 reported for medicare managed care plans, as reported on the medicare
2 cost report, form 2552-96, or successor forms, excluding all skilled
3 and nonskilled nursing facility days, skilled and nonskilled swing bed
4 days, nursery days, observation bed days, hospice days, home health
5 agency days, and other days not typically associated with an acute care
6 inpatient hospital stay.

7 (11) "Prospective payment system hospital" means a hospital
8 reimbursed for inpatient and outpatient services provided to medicaid
9 beneficiaries under the inpatient prospective payment system and the
10 outpatient prospective payment system as defined in WAC 388-550-1050.
11 For purposes of this chapter, prospective payment system hospital does
12 not include a hospital participating in the certified public
13 expenditure program, a critical access hospital, or a bordering city
14 hospital located outside of the state of Washington and in one of the
15 bordering cities listed in WAC 388-501-0175 or successor regulation.

16 (12) "Psychiatric hospital" means a hospital facility licensed as
17 a psychiatric hospital under chapter 71.12 RCW.

18 (13) "Regional support network" has the same meaning as provided in
19 RCW 71.24.025.

20 (14) "Rehabilitation hospital" means a medicare-certified
21 freestanding inpatient rehabilitation facility.

22 (15) "Secretary" means the secretary of the department of social
23 and health services.

24 (16) "Small rural disproportionate share hospital payment" means a
25 payment made in accordance with WAC 388-550-5200 or subsequently filed
26 regulation.

27 NEW SECTION. **Sec. 3.** Section 2 of this act expires July 1, 2013.

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