

SSB 5859 - H COMM AMD
By Committee on Appropriations

ADOPTED 03/07/2014

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that promoting a
4 financially viable health care system in all parts of the state is a
5 critical interest. The federal centers for medicare and medicaid
6 services has recognized the crucial role hospitals play in providing
7 care in rural areas by creating the sole community hospital program,
8 which allows certain small rural hospitals to receive enhanced payments
9 for medicare services. The legislature further finds that creating a
10 similar reimbursement system for the state's medicaid program for sole
11 community hospitals will promote the long-term financial viability of
12 the rural health care system in those communities.

13 **Sec. 2.** RCW 74.09.5225 and 2011 1st sp.s. c 15 s 31 are each
14 amended to read as follows:

15 (1) Payments for recipients eligible for medical assistance
16 programs under this chapter for services provided by hospitals,
17 regardless of the beneficiary's managed care enrollment status, shall
18 be made based on allowable costs incurred during the year, when
19 services are provided by a rural hospital certified by the centers for
20 medicare and medicaid services as a critical access hospital. Any
21 additional payments made by the authority for the healthy options
22 program shall be no more than the additional amounts per service paid
23 under this section for other medical assistance programs.

24 (2) Beginning on July 24, 2005, a moratorium shall be placed on
25 additional hospital participation in critical access hospital payments
26 under this section. However, rural hospitals that applied for
27 certification to the centers for medicare and medicaid services prior
28 to January 1, 2005, but have not yet completed the process or have not

1 yet been approved for certification, remain eligible for medical
2 assistance payments under this section.

3 (3)(a) Beginning January 1, 2015, payments for recipients eligible
4 for medical assistance programs under this chapter for services
5 provided by a hospital, regardless of the beneficiary's managed care
6 enrollment status, shall be increased to one hundred twenty-five
7 percent of the hospital's fee-for-service rates, when services are
8 provided by a rural hospital that:

9 (i) Was certified by the centers for medicare and medicaid services
10 as a sole community hospital as of January 1, 2013;

11 (ii) Had a level III adult trauma service designation from the
12 department of health as of January 1, 2014;

13 (iii) Had less than one hundred fifty acute care licensed beds in
14 fiscal year 2011; and

15 (iv) Is owned and operated by the state or a political subdivision.

16 (b) The enhanced payment rates under this subsection shall be
17 considered the hospital's medicaid payment rate for purposes of any
18 other state or private programs that pay hospitals according to
19 medicaid payment rates.

20 (c) Hospitals participating in the certified public expenditures
21 program may not receive the increased reimbursement rates provided in
22 this subsection (3) for inpatient services."

23 Correct the title.

EFFECT: Further restricts the 25 percent increase in
reimbursement rates to hospitals that had a Level III adult trauma
service designation from the Department of Health as of January 1,
2014.

--- END ---