

Multiple Agency Fiscal Note Summary

Bill Number: 5103 2S SB	Title: Medicaid patients/discharge
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Washington State Health Care Authority	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	0	0	0	0	0	0	0

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Washington State Health Care Authority	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Department of Social and Health Services	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.0	0	0	0	0.0	0	0	0	0.0	0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Washington State Health Care Authority	.0	0	0	.0	0	0	.0	0	0
Department of Social and Health Services	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Breann Boggs, OFM	Phone: (360) 485-5716	Date Published: Final 3/ 3/2023
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Individual State Agency Fiscal Note

Bill Number: 5103 2S SB	Title: Medicaid patients/discharge	Agency: 107-Washington State Health Care Authority
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Sandy Stith	Phone: 786-7710	Date: 02/24/2023
Agency Preparation: Lena Johnson	Phone: 360-725-5295	Date: 03/02/2023
Agency Approval: Catrina Lucero	Phone: 360-725-7192	Date: 03/02/2023
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 03/02/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Please see attached narrative.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

HCA Fiscal Note

Bill Number: 5103 2SSB

HCA Request #: 23-167

Part II: Narrative Explanation

AN ACT Relating to payment to acute care hospitals for difficult to discharge Medicaid patients who do not need acute care but who are waiting in the hospital to be appropriately and timely discharged to post-acute and community settings; and amending RCW 74.09.520.

II. A - Brief Description of What The Measure Does That Has Fiscal Impact

Second Substitute Bill 5103: RCW 74.09.520 is amended to create Section 1(12).

Section 1(12) (a)(b)(e)(f) of this bill requires the Washington State Health Care Authority (HCA) to make changes to its administrative day rate payment methodology. Currently, the administrative day rate is the statewide average weighted rate for nursing facilities as set by the Department of Social Health and Services. This bill differs from previous version by:

- Removing the \$700/day per diem payment for administrative days.
- Requires HCA to determine what is allowable and payable within the per diem and outside of the per diem.
- Removes the references to DSHS as a responsible entity for payment.
- Requires the payment methodology to allow billing and payment for additional services not covered by the administrative day payment.
- Directs HCA to adopt rules for uniform payment of the administrative day rate.
- Allows HCA to determine what services are included with the administrative day rate and what can be separately billed.

II. B - Cash Receipts Impact

Indeterminate.

Fiscal impacts associated with Section 1(12) would be eligible for Federal Financial Participation (FFP).

II. C – Expenditures

Indeterminate.

HCA estimates that the change in admin day rate methodology described in Section 1(12) would result in an indeterminate fiscal impact greater than \$50,000.

Section 1(12) (a)(b)(e)(f) of this bill requires HCA to make changes to its administrative day rate payment methodology.

In state fiscal year 2022, there were 43,027 paid or accepted administrative days. As there have been no clinical decisions as to what is payable separately, HCA is not able to quantify this change at this time. Additionally, HCA has no claims history to determine what services will be billed separately under this subsection.

HCA Fiscal Note

Bill Number: 5103 2SSB

HCA Request #: 23-167

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.

Individual State Agency Fiscal Note

Bill Number: 5103 2S SB	Title: Medicaid patients/discharge	Agency: 300-Department of Social and Health Services
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Sandy Stith	Phone: 786-7710	Date: 02/24/2023
Agency Preparation: Mitchell Close	Phone: 3600000000	Date: 03/01/2023
Agency Approval: Dan Winkley	Phone: 360-902-8236	Date: 03/01/2023
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 03/01/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

This substitute bill removes references to the Department of Social and Health Services (DSHS) relating to calculation of the payment amount and providing payments to hospitals. As a result, passage of this legislation will not impact DSHS workload or client benefits. Therefore, there is no fiscal impact to DSHS from this bill.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5103 2S SB

Title: Medicaid patients/discharge

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- Cities:
- Counties:
- Special Districts: Public hospitals would generate more revenue from qualified stays; public hospitals may have to increase administrative capacity to meet increased demand
- Specific jurisdictions only:
- Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option:
- Key variables cannot be estimated with certainty at this time: Amount of revenue generated from increased daily rate of qualified stays; cost of increasing administrative capacity of public hospitals to meet increased billing demand

Estimated revenue impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Part III: Preparation and Approval

Fiscal Note Analyst: Brandon Rountree	Phone: (360) 999-7103	Date: 03/01/2023
Leg. Committee Contact: Sandy Stith	Phone: 786-7710	Date: 02/24/2023
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 03/01/2023
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 03/01/2023

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

CHANGES BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

Removed \$700 flat rate for qualified hospital stays from (12) (b). Added language to (12) (a) (iii) which directs the Health Care Authority (HCA) to adopt rules identifies which services are included in the rate and which services may be billed separately. Adds a new subsection which requires hospitals to utilize swing beds or skilled nursing beds within their facility for patients meeting the criteria in (a) (ii) (A).

SUMMARY OF CURRENT BILL:

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 a patient enrolled in medical assistance or patients with a Medicaid managed care organization. Permits allowable medically necessary services performed for a patient awaiting discharge to be billed by and paid to the hospital separately from the daily rate for any day of a hospital stay for a patient that meets certain qualifications. Directs HCA to adopt rules requiring managed care organizations to establish uniform administrative and review processes for the day rate payment.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

CHANGES IN EXPENDITURE IMPACTS BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

There were no changes made between versions which would change expenditure impacts.

EXPENDITURE IMPACTS OF CURRENT BILL:

This legislation would have an indeterminate expenditures impact on local governments. The increase in payment for qualified stays would not increase public hospital expenditures because the administrative billing process is already in place for taking payment from the Washington state Health Care Authority (HCA) for qualified stays. However, separating the payment for allowable medically necessary services, pharmacy services, and pharmaceuticals from the bill for qualified stays would increase local hospital expenditures because it would increase the number of bills generated from a qualified stay.

Commerce is unable to project the potential increase in public hospital expenditures because of there is a wide variance in separate bills generated from qualified stays and each public hospital does not have the same administrative capacity.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

CHANGES IN REVENUE IMPACTS BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

The second substitute version removed \$700 flat rate for qualified hospital stays from (12) (b). The legislation now directs the Health Care Authority (HCA) to adopt rules identifies which services are included in the rate and which services may be billed separately.

REVENUE IMPACTS OF CURRENT BILL:

This legislation would have an indeterminate revenue impact on local governments. The legislation would have an indeterminate impact because the Health Care Authority (HCA) rules for identifying which services are included in the rate and which services may be billed separately are unknown.

Sources:

Local Government Fiscal Note, SSB 5103, (2023)

Senate Bill Report, SSB 5103, Health & Long Term Care Committee

