
SUBSTITUTE SENATE BILL 5758

State of Washington

64th Legislature

2015 Regular Session

By Senate Ways & Means (originally sponsored by Senators Honeyford, Becker, Hargrove, Frockt, Hatfield, and Bailey)

1 AN ACT Relating to federal medicaid payment reconciliations;
2 adding a new section to chapter 74.09 RCW; and creating a new
3 section.

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

5 NEW SECTION. **Sec. 1.** (1) Rural health clinics and federally
6 qualified health centers play an extremely important role in the
7 state's health care system. They are dedicated to maintaining access
8 to health care in rural areas and to underserved areas and
9 populations while constantly striving to improve the quality of
10 health care offered in their communities. These clinics and centers
11 have grown increasingly important as an answer to the access problem
12 with the state's recent expansion of medicaid.

13 (2) These entities are required to navigate complicated payment,
14 reimbursement, and reconciliation models with both federal and state
15 governments. Additionally, they are burdened with unnecessary and
16 avoidable regulatory hurdles and delays which have the potential to
17 put their solvency and future at risk.

18 (3) Therefore, it is the intent of the legislature to grant these
19 entities a level of stability and predictability by affirming the
20 existing provision in attachment 4.19-B(II)C of the medicaid state
21 plan requiring the health care authority to complete its annual

1 reconciliation process for each calendar year within two years of the
2 calendar year for which the payments are made, and to create
3 disincentives for the health care authority to fail to administer its
4 annual reconciliation process in accordance with the medicaid state
5 plan.

6 NEW SECTION. **Sec. 2.** A new section is added to chapter 74.09
7 RCW to read as follows:

8 (1) Beginning with calendar year 2014, in compliance with 42
9 U.S.C. Sec. 1396a (bb)(5)(A) and in accordance with attachment
10 4.19-B(II)C of the medicaid state plan, the authority must complete
11 an annual reconciliation of payments to federally qualified health
12 centers and rural health clinics for each calendar year within two
13 years of the calendar year for which the payments are made.

14 (2) For reconciliations which do not conform with attachment
15 4.19-B(II)C of the medicaid state plan due to the failure of the
16 authority to complete its reconciliation for each calendar year
17 within two years of the calendar year for which the payments are
18 made, and where there are amounts deemed to be owed to providers by
19 the authority as a result of underpayment for services provided,
20 those amounts shall accrue interest at the annual rate of ten percent
21 beginning on January 1st following the year in which reconciliation
22 should have been completed.

23 (3) For reconciliations which do not conform with attachment
24 4.19-B(II)C of the medicaid state plan due to the failure of the
25 authority to complete its reconciliation for each calendar year
26 within two years of the calendar year for which the payments are
27 made, and where there are amounts deemed to be owed to the state by
28 providers, the state must allow the federally qualified health center
29 or rural health center to enter into a reasonable repayment plan. No
30 interest shall be due on the repayment except as provided in RCW
31 74.09.210.

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