



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 6245 (Substitute S-1 as reported)
Sponsor: Representative Mary Ann Middaugh
House Committee: Health Policy
Senate Committee: Health Policy

CONTENT

The bill would amend the Public Health Code to specify that, in order to be a rural hospital and qualify as an eligible hospital under the Federal Medicare Rural Hospital Flexibility Program (described below), a hospital not located outside of a metropolitan statistical area (MSA) would have to be located in a city, village, or township with a maximum population of 12,000 and in a county with a maximum population of 110,000. (As used in the bill, "rural hospital" would mean a hospital that was located outside of an MSA or that satisfied the criteria established by the bill.) A hospital that was determined to be a rural hospital could be designated by the Department of Community Health as a critical provider to satisfy the eligibility requirements for certification as a critical access hospital (CAH).

(Under Federal law, a state may designate a facility as a CAH if it is a hospital located in a county or equivalent unit of local government in a rural area or is treated as being located in a rural area; and is located more than a 35-mile drive (or, in the case of mountainous terrain or in areas with only secondary roads available, a 15-mile drive) from a hospital, or is certified by the state as being a necessary provider of health care services to residents in the area.

The facility must make available 24-hour emergency care services that a state determines are necessary for ensuring access to emergency care services in each area served by the facility, and must provide not more than 15 (or, under a specific agreement, 25) acute care inpatient beds for providing inpatient care for a maximum average period of 96 hours per patient per year. The facility also must meet certain staffing requirements.)

Legislative Analyst: Julie Koval

FISCAL IMPACT

The bill would expand the number of hospitals that could qualify for the Federal Medicare Rural Hospital Flexibility Program. Hospitals receiving this designation could receive enhanced Medicare payments. This would not affect Medicaid payments. Furthermore, as the hospital Quality Assurance Assessment Program exempts Medicare revenue from the assessment, passage of the bill would not affect revenue.

Date Completed: 12-3-04

Fiscal Analyst: Steve Angelotti