

Agency: 303 Department of Health
Decision Package Code/Title: 9U Charity Care
Budget Period: 2015-17
Budget Level: M2-Unanticipated Receipts not in Carry-Forward Level

Recommendation Summary Text:

This package aligns appropriation authority with available funds within the Hospital Data Account to ensure that hospitals are complying with the charity care laws and rules. This request will not result in an increase in the hospital assessment fee.

Fiscal Detail

Operating Expenditures		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
002-1	Hospital Data Account	60,000	60,000	120,000
Total Cost		60,000	60,000	120,000
Staffing		<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Avg</u>
FTEs		0.5	0.5	0.5

Package Description:

The Department of Health (department) is seeking an additional spending authority to maintain the charity care program at a level required by the law and rules. Current spending authority does not align with the funds available within this dedicated account. The change will allow us to conduct the necessary quality assurance processes in the review of charity care policies. It will also allow for more detailed tracking and documentation of charity care complaints. This proposal is not asking to increase the assessment fee, simply to increase the spending authority.

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

The department will be more thorough and effective in the review of charity care policies and response to complaints. Hospitals will know what to expect from us, which enhances the likelihood their policies will be in compliance. Ultimately, patients who qualify or apply for charity care will benefit when hospitals establish policies that comply with the laws and rules.

The department’s work to assure hospitals comply with Washington’s charity care laws and regulations helps ensure that low income people without health insurance have access to appropriate hospital-based care.

Performance Measure Detail

Activity: A008 - Strengthening the Public Health Systems

Is this DP essential to implement a strategy identified in the agency's strategic plan?

N/A

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

N/A

What are the other important connections or impacts related to this proposal?

The department has worked closely with the Washington State Hospital Association (WSHA) in the last year to complete a thorough review of hospital charity care policies. WSHA has been supportive and provided assistance with contacting hospitals to encourage timely and cooperative responses to our inquiries about vague or non-compliant policies.

What alternatives were explored by the agency and why was this alternative chosen?

The department has a statutory requirement to maintain the charity care program. There is no other option.

What are the consequences of not funding this package?

In June 2013, the department approved a charity care policy for a hospital which established eligibility requirements that excluded patients who were not legal U.S. residents or were on a visitor or student visa. Later the department rescinded the approval after determining that the law and rules do not allow hospitals to exclude patients based on immigration status. Because of the issues raised by the entity's original charity care policy, the department began an in-depth review of all charity care policies in August 2013. At that time, the department also launched a quality improvement project to document existing processes and decision criteria, compare the processes to law and rules, establish the best process for ensuring only compliant policies are approved, create an escalation plan, and allow for detailed documentation of decisions and actions.

What is the relationship, if any, to the state capital budget?

N/A

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

N/A

Expenditure and revenue calculations and assumptions:

Revenue:

None

Expenditures:

Starting in FY 2016 and ongoing, the department requests 0.5 FTE and \$60,000 in additional appropriation authority each fiscal year to maintain the charity care program and allow for improvements to the policy review and complaint process.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

All costs will be ongoing.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries and Wages	40,000	40,000	80,000
B Employee Benefits	12,000	12,000	24,000
C Personal Service Contracts			
E Goods and Services	7,000	7,000	14,000
G Travel			
J Capital Outlays			
T Intra-Agency Reimbursements	1,000	1,000	2,000
Total Objects	60,000	60,000	120,000