



Senate Public Health and Welfare Committee

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Summary HB 278 PN 813

This legislation amends the Fiscal Code to require the Department of Public Welfare to reimburse critical access hospitals (CAH) at 101% of medical assistance allowable costs for both inpatient critical access hospital services and outpatient critical access hospital services. This would align medical assistance payments to hospitals with that of Medicare payments. The bill also includes clarification of how the payment would be calculated.

A critical access hospital is defined in the Social Security Act as a hospital certified by the Secretary of Health and Human Services as a critical access hospital. The Secretary requires a hospital to demonstrate some of the following criteria to be considered a CAH:

- Be located in a rural area or be treated as rural under a special provision that allows qualified hospital providers in urban areas to be treated as rural for purposes of becoming a CAH
- Furnish 24-hour emergency care services 7 days a week, using either on-site or on-call staff
- Provide no more than 25 inpatient beds that can be used for either inpatient or swing bed services; however it may also operate a distinct part rehabilitation or psychiatric unit, each with up to 10 beds
- Have an average annual length of stay of 96 hours or less per patient for acute care (excluding swing bed services and beds that are within distinct part units); and
- Be located either more than a 35-mile drive from the nearest hospital or CAH or a 15-mile drive in areas with mountainous terrain or only secondary roads OR certified as a CAH prior to January 1, 2006, based on State designation as a "necessary provider" of health care services to residents in the area.

Payments to critical access hospitals shall be retroactive to fiscal years beginning after June 30, 2013.

There are currently 13 critical access hospitals in PA.

Effective Date

This act shall take effect immediately.

Committee History

The Public Health and Welfare Committee reported a nearly identical bill, SB384, in December of 2013.