

November 28, 2022

Jane Beyer, Senior Health Policy Advisor  
Office of the Insurance Commissioner  
P.O. Box 40255  
Olympia, WA 98504  
Submitted via email:

Re: WSHA Comments on HB 1688 Draft Rule

Dear Ms. Beyer:

On behalf of more than 100 hospital and health system members, the Washington State Hospital Association (WSHA), appreciates the opportunity to provide comments on the proposed rule for HB 1688.

**WSHA objects to inclusion of federal tax identification number in definition of outpatient hospital department**

We appreciate the changes to the definition of “hospital outpatient department” made in response to our previous comments to the first prepublication draft. We support the revised language in (i) and (ii):

- (i) Is a provider-based facility under 42 C.F.R. Sec. 413.65;
- (ii) Charges a hospital facility fee in billing associated with the receipt of outpatient services from the entity or site.

We believe items (i) and (ii) are sufficient to distinguish sites that would meet the criteria of a hospital outpatient department and is the criteria used by other state and federal agencies and the insurance industry.

However, we ask that the reference to federal tax identification number in (iii) be stricken as it would also apply to sites that do not provide hospital services.

The addition of the tax ID criterion is a significant change from the language proposed in the prepublication draft, which referenced the hospital’s federal Center for Medicaid and Medicare Services (CMS) billing identifier rather than the hospital’s tax ID number. **A federal CMS identifier number or national provider identifier (NPI) that matches that of a hospital is generally a reliable indicator of hospital-based status. However, the fact that a site has the same federal tax ID number as a hospital is not a reliable indicator of hospital-based status.**

In checking with our members, we understand that it is not uncommon for a hospitals’ or health system’s freestanding sites to share a tax ID number with the hospital. We expect some of our member hospitals to also submit comments confirming this is the case for their organizations. As we mentioned in our previous comments, we want to ensure that the definition applies to hospital-affiliated sites that meet the conditions of a hospital and bill and are paid as hospital services but does not apply to sites

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that bill and are paid the same as independent freestanding sites. We believe that distinction is consistent with the intent of both the BBPA and the NSA. Freestanding sites of a hospital or hospital system should not be subjected to different rules than freestanding sites operated by other entities.

Thank you again for the opportunity to comment. If you have questions, please contact Andrew Busz, WSHA Policy Director, Finance at (206) 216-2533 or [andrewb@wsa.org](mailto:andrewb@wsa.org).



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