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PUBLIC HEALTH AND HUMAN SERVICES
DIVISION OF QUALITY ASSURANCE

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SENATE PUBLIC HEALTH, WELFARE & SAFETY
EXHIBIT NO. #4
DATE: 1-10-05
BILL NO. SB 60

TESTIMONY OF THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES BEFORE THE SENATE PUBLIC HEALTH, WELFARE AND SAFETY COMMITTEE JANUARY 10, 2005

RE: SB 60 "AN ACT ALLOWING THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES TO ADOPT BY RULE THE NUMBER OF BEDS THAT A CRITICAL ACCESS HOSPITAL MAY HAVE, NOT TO EXCEED THE NUMBER OF BEDS ALLOWED BY FEDERAL LAW; DELETING THE LIMITATION ON THE NUMBER OF ACUTE CARE INPATIENT BEDS THAT A CRITICAL ACCESS HOSPITAL MAY HAVE; AMENDING SECTION 50-5-233 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

SB 60 is being introduced at the request of the Department of Public Health and Human Services with the support of Critical Access Hospitals (commonly known as CAHs) and the MHA. In November of 2003, the federal law was amended to increase the number of acute beds that a Critical Access Hospital may have from 15 to 25 beds. The Department had no objections to making a similar change on the state licensing level, but unfortunately we were unable to do so without legislative authority. SB 60 is a very simple bill that asks for a change in 50-5-233 MCA to increase the number of beds a CAH may have. I would like to take you through the changes we are proposing and then answer any questions that you might have.

On **Section 1, page 1, lines 22-24**, the state language that mirrored the old federal language is struck. **Lines 24-26**, add language that references the federal statute that limits the number of beds that a Critical Access Hospital may have. **Section 1, page 2, lines 8-9,** give the Department authority to adopt rules to specify the number of beds up to the federal limit.

Section 1, page 1, lines 27-28, specify that a CAH may not provide inpatient acute care services in excess of 96 hours on an average basis. The language was moved from lines 23-24 and the word "acute" was added to prevent any confusion in the future. CAHs may provide both long term care in a swing bed and acute care services. Only the acute care stays are limited to an average of 96 hours. There is no federal limit on the length of stay for a patient needing long term care.

In summary, Critical Access Hospital administrators and the MHA support SB 60. While many CAHs will not choose to increase the number of beds that they have, for some of the larger CAHs, this bill makes the operation of their critical access hospital more financially feasible. I urge you to pass this bill.

Respectfully submitted,

Mary E. Dalton

Mary E. Dalton, Administrator
Quality Assurance Division

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