

SESSION OF 2004

**CONFERENCE COMMITTEE REPORT BRIEF ON  
HOUSE BILL NO. 2760**

As Agreed to April 1, 2004

**Brief\***

HB 2760 amends a statute that contains definitions used in an act that authorizes rural health networks to redefine the term, critical access hospital. Under the new definition, a critical access hospital may have up to 25 acute care inpatient beds or, in the case of a hospital having swing beds, not to exceed 25 combined total extended care and acute care beds. The definition is further expanded to allow a critical access hospital to have a psychiatric unit or a rehabilitation unit, or both. Such units may not exceed 10 beds, will not count toward the 25-bed limitation, and will not be bound by the 96-hour length of stay limit applicable to acute care beds.

HB 2760 amends a statute that creates the University of Kansas Hospital Authority and provides for a 19-member governing board. The amendments that concern the appointment of members of the governing board are technical.

HB 2760 becomes effective on publication in the *Kansas Register*.

**Conference Committee Activity**

The Conference Committee agreed to further amend HB 2670, as amended by House Committee, by adding section 2 amending KSA 2003 Supp. 76-3304 relating to the University of Kansas Hospital Authority Board. The amendment was a part of SB 295, introduced by the Confirmation Oversight Committee and passed by the Senate. The Conference Committee also agreed to delete the reference to repeal of KSA 2003 Supp. 65-441a, since this was done in SB 434.

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\*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. The conference committee summary report may be accessed on the Internet at <http://www.kslegislature.org>

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## **Background**

The amendments in HB 2760 relating to critical access hospitals reflect amendments to federal law (Medicare Conditions of Participation) enacted as a part of the Medicare Prescription Drug Improvement and Modernization Act of 2003. Kansas now has more hospitals designated as critical access hospitals (71) than any other state, all of which are a part of a designated health care network. The benefit to converting to a critical access hospital, although it limits the acute care that can be provided, is cost-based reimbursement by Medicare rather than the usual prospective payment reimbursement. Being designated as a critical access hospital has allowed many small Kansas hospitals to remain financially viable even though they may continue to operate at a loss. It is anticipated additional Kansas hospitals will be able to attain critical access hospital status under the expanded definition.