

# FINAL BILL REPORT

## SSB 6273

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Synopsis as Enacted

**Brief Description:** Regarding insurance coverage of the sales tax for prescribed durable medical equipment and mobility enhancing equipment.

**Sponsors:** Senate Committee on Health & Long-Term Care (originally sponsored by Senators Swecker, Fairley, Keiser, Hatfield, Pflug, Stevens, Shin and McCaslin).

**Senate Committee on Health & Long-Term Care**  
**House Committee on Health Care & Wellness**

**Background:** Prescribed durable medical equipment includes a variety of devices, such as blood glucose monitors, canes, home oxygen equipment, hospital beds, walkers, and wheelchairs. Medical insurance often includes coverage for these types of prescribed devices, and a common benefit design may cover 80 percent of the cost of the device, with the remaining 20 percent to be paid by the patient. Some insurance carriers include the cost of the state sales tax with their plan payment to the vendor, but many others do not. The additional charge then falls on the patient or on the vendor providing the device. Some devices are quite expensive and the patient charge for their portion of the payment plus an additional charge for sales tax on the total item price can be prohibitive. For example a specialized power wheelchair for a complex patient can be \$30,000, which could result in thousands of dollars in out-of-pocket charges for the patient.

**Summary:** Medical insurance plans issued on or after January 1, 2011, that include coverage for prescribed durable medical equipment and mobility enhancing equipment, must include the sales tax or use tax calculation in their plan payment. The payment must reflect the negotiated provider agreement for the prescribed equipment, and separately identify the sales tax or use tax if the provider submitting a claim or invoice indicates the geographically adjusted sales tax. The tax calculation must be consistent with the sales tax requirements established in RCW 82.08 and the use tax requirements in RCW 82.12.

The definitions for durable medical equipment and mobility enhancing equipment are consistent with the definitions provided in RCW 82.08 and 82.12. Durable medical equipment includes equipment that can withstand repeated use, is primarily and customarily used to serve a medical purpose, generally is not useful to a person in the absence of illness or injury, and is not worn in or on the body. Mobility enhancing equipment includes equipment that is primarily and customarily used to provide or increase the ability to move

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from one place to another and is appropriate for use in a home or a motor vehicle, is not generally used by persons with normal mobility, and does not include any motor vehicle or equipment on a motor vehicle normally provided by a motor vehicle manufacturer.

**Votes on Final Passage:**

Senate	48	0
House	68	26

**Effective:** June 10, 2010