

FINAL BILL REPORT

HB 2314

Synopsis as Enacted

C 8 L 92

Brief Description: Revising provisions for providing medical services.

By Representative Franklin; by request of Dept. of Social and Health Services.

House Committee on Health Care

Senate Committee on Health & Long-Term Care

Background: The Department of Social and Health Services' (DSHS's) medical assistance (Medicaid) program is the state's largest publicly funded health benefits program. It provides medical services to low-income and disabled persons with a broad scope of services, including: preventive and primary care; in and out-patient services; dental care; drugs; medical equipment; and a variety of screening and testing services. It serves about 510,000 persons monthly, with a biennial budget of \$2.2 billion.

Current law requires DSHS to reimburse hospitals on a "day rate" or "ratio to charge of cost" basis. These methods are out-dated and no longer used.

DSHS purchases in-patient hospital services on a selective contract or a prospective diagnosis-related grouping basis, and outpatient hospital services on a percentage of charge basis.

Summary: Obsolete language is deleted and replaced with wording that permits DSHS to purchase services on contract or established-rate basis.

Votes on Final Passage:

House	96	0
Senate	43	3

Effective: June 11, 1992