

# HOUSE BILL REPORT

## HB 2547

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*As Reported By House Committee on:  
Education  
Appropriations*

**Title:** An act relating to medical assistance reimbursement for health-related services provided in schools.

**Brief Description:** Providing additional medical assistance reimbursement for health-related services provided in schools.

**Sponsor(s):** Representatives Peery, Leonard, Brough, G. Cole, Silver, Pruitt, J. Kohl, Orr, Valle, O'Brien and Brekke.

**Brief History:**

Reported by House Committee on:  
Education, February 3, 1992, DPS;  
Appropriations, February 10, 1992, DPS(ED-A APP).

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**HOUSE COMMITTEE ON  
EDUCATION**

**Majority Report:** *The substitute bill be substituted therefor and the substitute bill do pass.* Signed by 19 members: Representatives Peery, Chair; G. Fisher, Vice Chair; Brough, Ranking Minority Member; Vance, Assistant Ranking Minority Member; Betrozoff; Broback; Brumsickle; Carlson; G. Cole; Dorn; P. Johnson; Jones; J. Kohl; Neher; Orr; Rasmussen; Roland; H. Sommers; and Valle.

**Staff:** Robert Butts (786-7111).

**Background:** Many schools are currently providing health and mental health-related services through special education programs, school nurses, school counselors, and collaborative arrangements with local health departments. Many of these services, when provided to low-income students, qualify for federal matching funds under the Early Periodic Screening, Diagnosis and Treatment Program (EPSDT), Title XIX (Medicaid), of the federal Social Security Act. However, under existing state law, only services to eligible special education students may be reimbursed by Medicaid.

To obtain the federal funds, school districts must be aware that these services are reimbursable, and follow specific

procedures to obtain the funds. ESD 112 in Vancouver has a program to assist school districts in applying for funds.

**Summary of Substitute Bill:** The category of school services eligible to receive Title XIX funding is expanded from services provided to handicapped children to also include services provided to eligible non-handicapped school children.

Prior to January 1, 1993, the Office of the Superintendent of Public Instruction and the Department of Social and Health Services shall develop a marketing and technical assistance plan to increase the provision of medical assistance funded health and mental health-related services by local school districts.

**Substitute Bill Compared to Original Bill:** Language was added to clarify that the intent of the legislation is to obtain federal reimbursement for services currently provided by schools. Also, to be eligible for reimbursement, mental health services must, to the greatest extent possible, be consistent with the applicable children's mental health delivery system. A provision also was added to require that federal reimbursement for services provided to special education students be spent on special education services.

**Fiscal Note:** Requested January 22, 1992.

**Appropriation:** \$60,000 to the Department of Social and Health Services (DSHS) to fund one full-time employee (FTE) collocated at SPI to develop and implement the marketing plan.

**Effective Date of Substitute Bill:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** It is estimated that 20 percent of Washington's student population is eligible for Medicaid services. Many school districts are currently providing services to those students that can be reimbursed by the federal government.

**Testimony Against:** We as federal taxpayers pay for federal programs: this is not free money.

**Witnesses:** Sharon Eastman, ESD 112 (supports); Jeanne Ward, DSHS (supports); Rob Menaul, Washington State Hospital Association (supports); Cris Shardelman, citizen (opposes); Margaret Whitney, Washington Association of School Administrators (supports); and Margaret Casey, The Children's Alliance (supports).

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**HOUSE COMMITTEE ON  
APPROPRIATIONS**

**Majority Report:** *The substitute bill by Committee on Education be substituted therefor and the substitute bill as amended by Committee on Appropriations do pass.* Signed by 27 members: Representatives Locke, Chair; Inslee, Vice Chair; Spanel, Vice Chair; Silver, Ranking Minority Member; Morton, Assistant Ranking Minority Member; Appelwick; Belcher; Bowman; Braddock; Brekke; Carlson; Dorn; Ferguson; Fuhrman; Hine; Lisk; May; Mielke; Nealey; Peery; Pruitt; Rust; D. Sommers; H. Sommers; Sprenkle; Valle; and Wang.

**Staff:** Barbara McLain (786-7153).

**Additional Background:** ESD 112 in Vancouver has established a billing program to assist school districts with recovering Medicaid payments for health-related services. There are also private firms and public non-profit organizations that desire to contract with school districts for billing assistance. The firms and organizations act as billing agents and their fee is generally based on the amount of Medicaid reimbursement recovered.

**Summary of Recommendation of Committee on Appropriations Compared to Recommendation of Committee on Education:** The Superintendent of Public Instruction and the Department of Social and Health Services are directed to establish a committee, by May 1, 1992, to review proposed contracts between school districts and private or public Medicaid billing agents. Results of the review must be returned to the district within 30 days of receipt of the proposed contract. The review is a precondition to execution of any final contract between a district and a private or public Medicaid billing agent.

The appropriation is removed.

**Fiscal Note:** Available.

**Appropriation:** Removed.

**Effective Date of Substitute Bill as Amended:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** This is a way to bring additional money into school districts and encourage the provision of health services to children.

**Testimony Against:** None.

**Witnesses:** Margaret Casey, Children's Alliance.