

**SENATE BILL REPORT**

**ESHB 2547**

**AS REPORTED BY COMMITTEE ON EDUCATION, FEBRUARY 25, 1992**

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

**SPONSORS:** House Committee on Education (originally sponsored by Representatives Peery, Leonard, Brough, G. Cole, Silver, Pruitt, J. Kohl, Orr, Valle, O'Brien and Brekke)

**HOUSE COMMITTEE ON EDUCATION**

**HOUSE COMMITTEE ON APPROPRIATIONS**

**SENATE COMMITTEE ON EDUCATION**

**Majority Report:** Refer to Committee on Health & Long-Term Care.

Signed by Senators Bailey, Chairman; Erwin, Vice Chairman; Anderson, Metcalf, Pelz, and Rinehart.

**Staff:** Leslie Goldstein (786-7424)

**Hearing Dates:** February 24, 1992; February 25, 1992

**BACKGROUND:**

In 1989, the Legislature enacted legislation authorizing the collection of Medicaid funds for qualifying services to special education students. Many schools are currently providing health and mental health-related services to both special education and regular education students. Services are provided through 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.

Education Service District 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 a percent of the amount of Medicaid reimbursement recovered.

**SUMMARY:**

The category of school services eligible to receive Title XIX funding is expanded from services provided to handicapped children to include services provided to eligible non-handicapped school children.

Before 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.

The Superintendent of Public Instruction and the Department of Social and Health Services are required to establish a committee 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 must be conducted before a contract is entered into between a district and a private or public Medicaid billing agent.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** available

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

**TESTIMONY FOR:**

Approximately 20 percent of the children are eligible for Medicaid services. The program would help capture federal dollars for services already provided by school districts.

**TESTIMONY AGAINST:**

An additional paperwork burden might be created for school personnel providing the services. The program makes sense for handicapped students who are already screened and assessed but does not make sense for regular education students.

**TESTIFIED:** Jeanne Ward, DSHS (pro); Margaret Casey, Children's Alliance (pro); Ed Martin, WA State Community Mental Health Council (pro); John Kvamme, WA Assn. of School Administrators (con)