

2 **HB 2743** - S COMM AMD  
3 By Committee on Ways & Means

4 ADOPTED 3/3/94

5 Strike everything after the enacting clause and insert the  
6 following:

7 "**Sec. 1.** RCW 74.09.5243 and 1993 c 149 s 2 are each amended to  
8 read as follows:

9 ~~((For the purposes of))~~ Unless the context clearly requires  
10 otherwise, the following definitions apply throughout RCW 74.09.5241  
11 through 74.09.5253 ((and 28A.155.150, the terms)) and sections 5  
12 through 7 of this act.

13 (1) "District" means a school district, educational service  
14 district, or educational cooperatives offering special education  
15 services under chapter 28A.155 RCW.

16 (2) "Medical assistance" and "medicaid" means federal and state-  
17 funded programs under which medical ((eare)) services are provided  
18 under Title XIX of the federal social security act.

19 (3) "Medical services" means district services that qualify for  
20 medicaid funding.

21 **Sec. 2.** RCW 74.09.5247 and 1993 c 149 s 4 are each amended to read  
22 as follows:

23 (1) Chapter 149, Laws of 1993 does not apply to contracts between  
24 individual ~~((school))~~ districts and private firms entered into for the  
25 purpose of billing either medicaid or private insurers, or both, for  
26 ~~((health))~~ medical services and agreed to before April 30, 1993, except  
27 as provided in RCW 28A.155.150(2).

28 (2) A ~~((school))~~ district may elect to act as its own billing agent  
29 as of the start of any school year. For a ~~((school))~~ district being  
30 served by the state-wide billing agent, the district shall notify the  
31 billing agent in writing, no less than thirty days before the start of  
32 the school year, of its intent to terminate the agency relationship.  
33 A district that acts as its own billing agent ~~((may retain))~~ or a  
34 district with a preexisting contract under subsection (1) of this

1 section is entitled to an administrative fee (~~proportional~~)  
2 equivalent to that of the state-wide billing agent.

3 **Sec. 3.** RCW 74.09.5249 and 1993 c 149 s 5 are each amended to read  
4 as follows:

5 (1) The agency awarded the contract under RCW 74.09.5245 shall:

6 (a) Enroll all (~~school~~) districts in this state, except those  
7 with preexisting contracts under RCW 74.09.5247, as medicaid providers  
8 (~~by~~) effective the beginning of the 1993-94 school year;

9 (b) Develop a state-wide system of billing the department and  
10 private insurers for medical services provided in special education  
11 programs;

12 (c) Train health care practitioners employed by or contracting with  
13 (~~school~~) districts in medicaid and insurer billing;

14 (d) Verify the medicaid eligibility of students enrolled in special  
15 education programs in each (~~educational-service~~) district;

16 (e) Provide ongoing technical assistance to practitioners and  
17 districts; and

18 (f) Process and forward all medicaid claims to the department and  
19 all other claims to private insurers.

20 (2) For each student, individual (~~school~~) districts may, in  
21 consultation with the billing agent, deliver to the student's parent or  
22 guardian a letter, prepared by the billing agent, requesting the  
23 consent of the parent or guardian to bill the student's health  
24 insurance carrier for services provided through the special education  
25 program. If a district chooses to do this, the letter must be  
26 accompanied by a consent form, on which the parent may identify the  
27 student's health insurance carrier so that the billing agent may bill  
28 the carrier for medical services provided to the student. The letter  
29 must clearly state the following:

30 (a) That the billing program is designed in part to raise  
31 additional funds to improve education services;

32 (b) That under no circumstances will the parent or guardian be  
33 personally charged for any portion of the bill not paid by the insurer,  
34 including copayments, deductibles, or uncovered services;

35 (c) That the amount of the billing will apply to the policy's  
36 annual deductible even though the parent will not be billed for the  
37 amount of the deductible;

1 (d) That the amount of the billing, will, however, apply towards  
2 annual or lifetime benefit caps if these are included in the policy;

3 (e) That it is possible that their premiums would be increased as  
4 a result of their consent;

5 (f) That if any of the possible negative consequences of consent  
6 were to affect them, they are free to withdraw their consent at any  
7 time; and

8 (g) That their consent is entirely voluntary and that the services  
9 the student receives through the (~~school~~) district will not be  
10 affected by their willingness or refusal to consent to the billing of  
11 their private insurer.

12 **Sec. 4.** RCW 74.09.5253 and 1993 c 149 s 7 are each amended to read  
13 as follows:

14 (1) Each (~~educational service~~) district (~~in the state~~) shall  
15 participate in the program of billing for medical services (~~under RCW~~  
16 ~~74.09.5249 and~~) provided in the district's special education program.  
17 Each participating district shall provide the (~~billing agent~~)  
18 superintendent of public instruction with a list, (~~at the start of~~  
19 ~~each academic quarter~~) as of the first school day in October,  
20 December, and May of each year, of all students enrolled in special  
21 education programs within the area served by the (~~educational~~  
22 ~~service~~) district, for purposes of verifying the medicaid eligibility  
23 of the students.

24 (2) A person employed by or contracting with a (~~school~~) district  
25 who provides (~~services within the categories established by the~~)  
26 medical (~~assistance administration under RCW 74.09.5251~~) services  
27 shall provide the billing agent with information necessary to promptly  
28 complete monthly billings for each medicaid-eligible student he or she  
29 serves as part of the district's special education program.

30 (3) The superintendent of public instruction shall submit to the  
31 legislature at the beginning of each legislative session a report  
32 indicating the district-by-district participation and the medicaid and  
33 private insurance payment receipts during the preceding fiscal year.  
34 The report must further indicate for each district the total number of  
35 special education students, and the number eligible for medicaid  
36 (~~eligibility rate~~), as determined by the medical assistance  
37 administration. The superintendent may require a letter of explanation  
38 from any district whose (~~receipts~~) billings for medical assistance

1 under the program, in the judgment of the superintendent, indicate  
2 nonparticipation or underparticipation.

3 NEW SECTION. **Sec. 5.** A new section is added to chapter 74.09 RCW  
4 to read as follows:

5 (1) Each district that has elected to act as its own billing agent  
6 under RCW 74.09.5247(2) and each firm that is a party to a preexisting  
7 contract under RCW 74.09.5247(1) shall, at times designated by the  
8 superintendent of public instruction, provide the office of the  
9 superintendent of public instruction with a report indicating the total  
10 amount of medicaid and private insurance moneys billed by the district.

11 (2) The state billing agent shall, at times designated by the  
12 superintendent of public instruction, provide the superintendent of  
13 public instruction with a report for each district enrolled by the  
14 billing agent, indicating the total amount of medicaid and private  
15 insurance moneys billed through medicaid and private insurer billing.

16 NEW SECTION. **Sec. 6.** A new section is added to chapter 74.09 RCW  
17 to read as follows:

18 Of the projected federal medicaid and private insurance revenue  
19 collected under RCW 74.09.5249, twenty percent, after deduction for  
20 billing fees, shall be for incentive payments to districts. Incentive  
21 payments shall only be used by districts for children with  
22 disabilities.

23 NEW SECTION. **Sec. 7.** A new section is added to chapter 74.09 RCW  
24 to read as follows:

25 (1) Districts shall reassign medicaid payments to be received under  
26 RCW 74.09.5249 through 74.0.5253, sections 5 and 6 of this act, and  
27 this section to the superintendent of public instruction.

28 (2) The superintendent of public instruction shall receive medicaid  
29 payments from the department of social and health services for all  
30 state and federal moneys under Title XIX of the federal social security  
31 act due to districts for medical assistance provided in the district's  
32 special education program.

33 (3) The superintendent shall use reports from the department of  
34 social and health services, the state billing agent, districts acting  
35 as their own billing agent, and firms to calculate the appropriate

1 amounts of incentive payments and state special education program  
2 moneys due each district.

3 (4) Moneys received by the superintendent of public instruction  
4 shall be disbursed for the following purposes:

5 (a) Reimbursement to the department of social and health services  
6 for the state-funded portion of medicaid payments;

7 (b) Reimbursement for billing agent's fees, including those of  
8 districts acting as their own agent and billing fees of firms;

9 (c) Incentive payments to school districts equal to twenty percent  
10 of the federal portion of medicaid payments after deduction for billing  
11 fees; and

12 (d) The remainder shall be distributed to districts as part of  
13 state allocations for the special education program provided under RCW  
14 28A.150.390.

15 (5) With respect to private insurer funds received by districts,  
16 the superintendent of public instruction shall reduce state special  
17 education program allocations to the districts by eighty percent of the  
18 amount received, after deduction for billing fees.

19 **Sec. 8.** RCW 28A.150.390 and 1993 c 149 s 9 are each amended to  
20 read as follows:

21 The superintendent of public instruction shall submit to each  
22 regular session of the legislature during an odd-numbered year a  
23 programmed budget request for handicapped programs. Funding for  
24 programs operated by local school districts shall be on an excess cost  
25 basis from appropriations provided by the legislature for handicapped  
26 programs and shall take account of state funds accruing through RCW  
27 28A.150.250, 28A.150.260, federal medical assistance and private funds  
28 accruing under RCW 74.09.5249 through 74.09.5253 and sections 5 through  
29 7 of this act, and other state and local funds, excluding special  
30 excess levies. ~~((However, the superintendent of public instruction  
31 shall reimburse the department of social and health services from state  
32 appropriations for handicapped education programs for the state-funded  
33 portion of any medical assistance payment made by the department for  
34 services provided under an individualized education program established  
35 pursuant to RCW 28A.155.010 through 28A.155.100. The amount of such  
36 interagency reimbursement shall be deducted by the superintendent of  
37 public instruction in determining additional allocations to districts  
38 for handicapped education programs under this section.))~~

