

SENATE BILL REPORT

SB 5799

As of February 24, 2005

Title: An act relating to payment of providers for medically needy consumers.

Brief Description: Regarding payment of providers for medically needy consumers.

Sponsors: Senators Keiser, Benson, Poulsen, Zarelli, Schmidt, Esser, Franklin, Pridemore, Rockefeller, Kohl-Welles, Kline and Rasmussen.

Brief History:

Committee Activity: Health & Long-Term Care: 2/21/05.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Staff: Sharon Swanson (786-7447)

Background: There is concern that medically needy individuals who receive care through individual providers or home care agencies are not always able to fully compensate their providers.

Any services that a consumer receives that are not compensated for by State funds or by insurance must be paid directly by the consumer to the provider. There is concern that in some instances, consumers either cannot pay for their services or months can elapse between the time services are provided and the time the provider is paid. The delay causes a financial hardship for providers.

Additionally, providers find themselves in the position of trying to collect from a person whom they provide care for.

Summary of Bill: The Department of Social and Health Services must pay providers who are not compensated by consumers in a timely fashion.

The department must take such steps as may be necessary to collect the debt from the consumer.

This legislation applies to consumers who are medically needy as defined in the Social Security Title XIX plan, and are receiving services through an individual provider or a home care agency provider.

Appropriation: None.

Fiscal Note: Requested February 18, 2005.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Providers are working and often not being paid for their services. Providers are put in an awkward position of caring for people they are also trying to collect a debt from. This creates a financial hardship.

Testimony Against: The Department of Social and Health Services is not a collection agency. The department cannot financially assume responsibilities for the debts of individuals. This would create a strong disincentive for people to not pay their bills because they know they will continue to receive services and the department will pay.

Who Testified: PRO: David Rolf, Service Employees Union.

CON: Penny Black, Department of Social and Health Services.