

---

HOUSE BILL 2653

---

State of Washington                      60th Legislature                      2008 Regular Session

By Representatives Hinkle, Cody, Green, Schual-Berke, and Kenney

Read first time 01/15/08. Referred to Committee on Health Care & Wellness.

1            AN ACT Relating to the impact of vendor rates on cost shifting  
2 between public and private purchasers of medical services; amending RCW  
3 43.20A.405; and adding a new section to chapter 74.32 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5            NEW SECTION.    **Sec. 1.** A new section is added to chapter 74.32 RCW  
6 to read as follows:

7            In addition to the powers and duties enumerated in RCW 74.32.130,  
8 the governor's advisory committee on vendor rates shall conduct an  
9 extensive examination of rates paid to licensed health care providers  
10 to determine whether the rates paid by the department of social and  
11 health services are reasonable and necessary to ensure that medical  
12 program participants have access to accessible, quality services. The  
13 examination shall include an evaluation of whether current vendor rates  
14 result in a cost shift from public purchasers to private purchasers of  
15 health care. If expansions of public medical programs are proposed or  
16 enacted, the governor's committee on vendor rates shall determine  
17 whether a cost shift from public purchasers to private purchasers of  
18 health care will occur, and the extent of the cost shift.

1       **Sec. 2.** RCW 43.20A.405 and 1971 ex.s. c 309 s 2 are each amended  
2 to read as follows:

3       After obtaining the review and advice of the governor's advisory  
4 committee on vendor rates, the secretary shall establish rates of  
5 payment for services which are to be purchased: PROVIDED, That the  
6 secretary shall afford all interested persons reasonable opportunity to  
7 submit data, views, or arguments, and shall consider fully all  
8 submissions respecting the proposed rates. Prior to the establishment  
9 of such rates, the secretary shall give at least twenty days notice of  
10 such intended action by mail to such persons or agencies as have made  
11 timely request of the secretary for advance notice of establishment of  
12 such vendor rates. Such rates shall not exceed the amounts reasonable  
13 and necessary to assure quality services and shall not exceed the costs  
14 reasonably assignable to such services pursuant to cost finding and  
15 monitoring procedures to be established by the secretary. Vendor rates  
16 for medical services purchased by the department shall include amounts  
17 reasonable and necessary to ensure access to licensed health care  
18 providers by all medical program participants by eliminating any cost  
19 shifting due to inadequate vendor rates. Information to support such  
20 rates of payment shall be maintained in a form accessible to the  
21 public.

--- END ---