

# HOUSE BILL REPORT

## HB 2314

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*As Passed House  
February 13, 1992*

**Title:** An act relating to provision of medical services.

**Brief Description:** Revising provisions for providing medical services.

**Sponsor(s):** By House Committee on Health Care (originally sponsored by Representative Franklin; by request of Dept. of Social and Health Services).

**Brief History:**

Reported by House Committee on:  
Health Care, February 5, 1992, DP;  
Passed House, February 13, 1992, 96-0.

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**HOUSE COMMITTEE ON  
HEALTH CARE**

**Majority Report:** *Do pass.* Signed by 11 members: Representatives Braddock, Chair; Day, Vice Chair; Moyer, Ranking Minority Member; Casada, Assistant Ranking Minority Member; Cantwell; Edmondson; Franklin; Morris; Paris; Prentice; and Sprenkle.

**Staff:** Bill Hagens (786-7131).

**Background:** The Department of Social and Health Services' (DSHS's) medical assistance (Medicaid) program is the state's largest. It provides medical services such as Aid for Families with Dependent Children and Supplemental Security Income (AFDC and SSI) to low-income and disabled persons with a broad scope of services, including: preventive and primary care; in and out-patient services; dental care; drugs; medical equipment; and a variety of screening and testing services. Presently it serves about 510,000 persons monthly, with a biennial budget of \$2.2 billion.

Current statute (RCW 74.09.120) states that DSHS shall reimburse hospitals on a "day rate" or "ratio to charge of cost" basis. These methods are out-dated and no longer used.

Presently, DSHS purchases in-patient hospital services on a selective contract or a prospective diagnosis-related groupings basis, and outpatient hospital services on a percentage of charge basis.

**Summary of Bill:** Current language is deleted and replaced with wording that permits DSHS to purchase services on contract or established-rate basis.

**Fiscal Note:** Available.

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

**Testimony For:** This bill is needed to accurately reflect in statute the current payment system.

**Testimony Against:** None.

**Witnesses:** Jim Peterson, Department of Social and Health Services (pro).