

SENATE BILL REPORT

HB 2314

AS REPORTED BY COMMITTEE ON HEALTH & LONG-TERM CARE,  
FEBRUARY 24, 1992

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

**SPONSORS:** Representative Franklin; by request of Dept. of Social and Health Services

**HOUSE COMMITTEE ON HEALTH CARE**

**SENATE COMMITTEE ON HEALTH & LONG-TERM CARE**

**Majority Report:** Do pass.

Signed by Senators West, Chairman; L. Smith, Vice Chairman; M. Kreidler, Niemi, Sumner, and Wojahn.

**Staff:** Scott Plack (786-7409)

**Hearing Dates:** February 24, 1992

**BACKGROUND:**

The Department of Social and Health Services (DSHS) medical assistance program provides medical services 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 These methods are outdated and no longer used.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:**

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

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** available

**TESTIMONY FOR:**

The statutory language is archaic and should be updated.

**TESTIMONY AGAINST:** None

**TESTIFIED:** Representative Franklin, prime sponsor; Jim Peterson,  
Asst. Secretary, Medical Assistance Admin, DSHS (pro)