

SENATE BILL REPORT

SB 5281

AS OF MARCH 6, 1991

Brief Description: Establishing a financial partnership plan for the department of social and health services.

SPONSORS: Senator Cantu.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Karen Hayes (786-7711)

Hearing Dates: March 5, 1991; March 6, 1991

BACKGROUND:

In 1985, the Washington State Legislature mandated by way of budget proviso that the Department of Social and Health Services conduct a study and recommend a comprehensive and equitable plan for determining financial responsibility of clients eligible for services. An oversight committee composed of legislators and representatives of the affected population, the general public and the department was formed and met monthly to examine the issue. A Final Report on Financial Responsibility was submitted to the Legislature on October 31, 1986.

In February of 1987, legislation was introduced (Senate Bill 5719) which incorporated the general findings and recommendations of the oversight committee. In the course of deliberations over the measure, new issues surfaced which had not been examined in the report. Continued study was requested by the Legislature. In November of 1988 a second report, Phase II on Financial Responsibility was submitted to the Legislature.

SUMMARY:

Recipients and/or other responsible parties will share in the cost of providing social and health service assistance based on an ability to pay. Determination of the level of financial participation will be standard across DSHS programs regardless of whether the service is rendered on a voluntary or involuntary basis.

The maximum amount of financial participation in a given year varies with income. The limit is based on gross income less 50 percent of the state's median income, as adjusted for family size with the result multiplied by a variable rate between 10 and 20 percent. The department is prohibited from recovering more than the actual cost of services rendered. An increasing amount of earned income is protected with each successive year that a household participates in the cost of

care. A one-time, \$100 exemption per family is provided to encourage early access to services. Any available insurance benefits are applied against the cost of care before determining financial participation rates.

No financial participation is required of persons adopting special-needs children or for program services made available to an individual based on a pre-eligibility financial means test, such as aid for families with dependent children (AFDC) or general assistance (GA).

The bill repeals the exemption from collection extended to parents whose children have been admitted to or discharged from a residential habilitation center.

Appropriation: none

Revenue: yes

Fiscal Note: available

Effective Date: October 1, 1991

TESTIMONY FOR:

The current system of charging for services is inequitable due to the different treatment of disability, type of service or county of residence. A single determination of financial responsibility is needed when there are multiple service episodes for a single client. The proposed formula based on ability to pay is simple to administer, sensitive to income differences, provides for an unduplicated count of services rendered, would improve the availability of financial data about social service programs and eliminate the need for multiple collection systems within the department.

TESTIMONY AGAINST:

Consideration needs to be given to the extraordinary costs of care, not covered by insurance policies, especially when it pertains to a chronically disabled or medically fragile child. This policy may discourage the use of early intervention and prevention services or invite changes in existing coverage by third party payors.

TESTIFIED: Lucille Christianson, Office of Financial Management;
PRO: Senator Emilio Cantu, prime sponsor; CON: Marty Gentile, PAVE; Mary Jo Wilcox, Washington Assembly for Citizens with Disabilities; Sharon Hanson, Developmental Disabilities Planning Council