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ENGROSSED SUBSTITUTE HOUSE BILL 2547

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State of Washington

52nd Legislature

1992 Regular Session

By House Committee on Education (originally sponsored by Representatives Peery, Leonard, Brough, G. Cole, Silver, Pruitt, J. Kohl, Orr, Valle, O'Brien and Brekke)

Read first time 02/05/92.

1 AN ACT Relating to medical assistance reimbursement for health-  
2 related services provided in schools; amending RCW 74.09.520; adding a  
3 new section to chapter 28A.210 RCW; creating new sections; and  
4 declaring an emergency.

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

6 NEW SECTION. **Sec. 1.** (1) The legislature recognizes that the  
7 state of Washington currently offers medical assistance benefits to  
8 children in the state with family incomes below certain fixed levels,  
9 and that the scope of these benefits is defined in state and federal  
10 law. The medical assistance program allows the state to use federal  
11 funds to finance more than one-half of the cost of providing health  
12 care services to these children. The legislature finds that school  
13 districts are currently providing health and mental health-related  
14 services, such as counseling, therapies, and screening, to children

1 eligible for medical assistance, that may qualify for federal matching  
2 funds under the state's medical assistance program.

3 (2) It is the intent of the legislature to leverage state education  
4 dollars by generating federal medical assistance matching funds for  
5 health and mental health-related services provided by school districts.  
6 The children served will be those who are eligible for medical  
7 assistance under the existing program, and the categories of services  
8 provided will be those that are covered under the existing medical  
9 assistance program.

10 **Sec. 2.** RCW 74.09.520 and 1991 sp.s. c 8 s 9 are each amended to  
11 read as follows:

12 (1) The term "medical assistance" may include the following care  
13 and services: (a) Inpatient hospital services; (b) outpatient hospital  
14 services; (c) other laboratory and x-ray services; (d) nursing facility  
15 services; (e) physicians' services, which shall include prescribed  
16 medication and instruction on birth control devices; (f) medical care,  
17 or any other type of remedial care as may be established by the  
18 secretary; (g) home health care services; (h) private duty nursing  
19 services; (i) dental services; (j) physical and occupational therapy  
20 and related services; (k) prescribed drugs, dentures, and prosthetic  
21 devices; and eyeglasses prescribed by a physician skilled in diseases  
22 of the eye or by an optometrist, whichever the individual may select;  
23 (l) personal care services, as provided in this section; (m) hospice  
24 services; (n) other diagnostic, screening, preventive, and  
25 rehabilitative services; and (o) like services when furnished to a  
26 ((handicapped)) child by a school district ((as part of an  
27 individualized education program established pursuant to RCW  
28 28A.155.010 through 28A.155.100)) in a manner consistent with the  
29 requirements of this chapter. For the purposes of this section, the

1 department may not cut off any prescription medications, oxygen  
2 supplies, respiratory services, or other life-sustaining medical  
3 services or supplies.

4 "Medical assistance," notwithstanding any other provision of law,  
5 shall not include routine foot care, or dental services delivered by  
6 any health care provider, that are not mandated by Title XIX of the  
7 social security act unless there is a specific appropriation for these  
8 services. (~~Services included in an individualized education program  
9 for a handicapped child under RCW 28A.155.010 through 28A.155.100 shall  
10 not qualify as medical assistance prior to the implementation of the  
11 funding process developed under RCW 74.09.524.~~)

12 (2) The department shall amend the state plan for medical  
13 assistance under Title XIX of the federal social security act to  
14 include personal care services, as defined in 42 C.F.R. 440.170(f), in  
15 the categorically needy program.

16 (3) The department shall adopt, amend, or rescind such  
17 administrative rules as are necessary to ensure that Title XIX personal  
18 care services are provided to eligible persons in conformance with  
19 federal regulations.

20 (a) These administrative rules shall include financial eligibility  
21 indexed according to the requirements of the social security act  
22 providing for medicaid eligibility.

23 (b) The rules shall require clients be assessed as having a medical  
24 condition requiring assistance with personal care tasks. Plans of care  
25 must be approved by a physician and reviewed by a nurse every ninety  
26 days.

27 (4) The department shall design and implement a means to assess the  
28 level of functional disability of persons eligible for personal care  
29 services under this section. The personal care services benefit shall  
30 be provided to the extent funding is available according to the

1 assessed level of functional disability. Any reductions in services  
2 made necessary for funding reasons should be accomplished in a manner  
3 that assures that priority for maintaining services is given to persons  
4 with the greatest need as determined by the assessment of functional  
5 disability.

6 (5) The department shall report to the appropriate fiscal  
7 committees of the legislature on the utilization and associated costs  
8 of the personal care option under Title XIX of the federal social  
9 security act, as defined in 42 C.F.R. 440.170(f), in the categorically  
10 needy program. This report shall be submitted by January 1, 1990, and  
11 submitted on a yearly basis thereafter.

12 (6) Effective July 1, 1989, the department shall offer hospice  
13 services in accordance with available funds. The hospice benefit under  
14 this section shall terminate on June 30, 1993, unless extended by the  
15 legislature.

16 NEW SECTION. **Sec. 3.** A new section is added to chapter 28A.210  
17 RCW to read as follows:

18 (1) Funding for health and mental health-related services, provided  
19 by local school districts in a manner consistent with the requirements  
20 of RCW 74.09.500 through 74.09.910, may include payments from state and  
21 federal funds for medical assistance. To the greatest extent possible,  
22 the provision of mental health-related services under this section  
23 shall be consistent with the applicable children's mental health  
24 delivery system developed under chapter 71.36 RCW. The superintendent  
25 of public instruction shall reimburse the department of social and  
26 health services from state appropriations for education programs for  
27 the state-funded portion of any medical assistance payment made by the  
28 department for health or mental health-related services provided to  
29 children eligible for medical assistance by local school districts

1 pursuant to this section, except to the extent that such payment is for  
2 case management or support services provided through the maternity care  
3 access program, as provided in RCW 74.09.760 through 74.09.810. The  
4 amount of the interagency reimbursement shall be deducted by the  
5 superintendent of public instruction in determining additional  
6 allocations to districts for education programs under this section.

7 (2) Federal medical assistance funds received by school districts  
8 for services provided under individualized education programs  
9 established pursuant to chapter 28A.155 RCW shall be expended by the  
10 school district solely for special education services pursuant to  
11 chapter 28A.155 RCW.

12 NEW SECTION. **Sec. 4.** On or before January 1, 1993, the office  
13 of the superintendent of public instruction and the department of  
14 social and health services, in consultation with representatives of  
15 educational service districts, local public health departments, and  
16 school directors, shall develop a marketing and technical assistance  
17 plan to increase the provision of medical assistance funded health and  
18 mental health-related services by local school districts.

19 NEW SECTION. **Sec. 5.** On or before May 1, 1992, the department  
20 of social and health services and the office of the superintendent of  
21 public instruction shall establish a medical assistance billing agent  
22 contract review committee. The committee's function shall be to review  
23 each proposed contract between one or more school districts and a  
24 public or private entity for medical assistance billing agent services.  
25 In reviewing the proposed contracts, the committee shall consider:

26 (1) The experience and qualifications of the proposed billing  
27 agent;

1 (2) The proposed fees of the billing agent in relation to the  
2 services proposed to be performed under the contract; and

3 (3) The goal of maximizing federal medical assistance funds  
4 available to school districts for the provision of health and mental  
5 health-related services to children eligible for medical assistance.

6 The committee shall report the results of its review of each  
7 proposed contract to the school district and its directors within  
8 thirty days of its receipt of the proposed contract for review. Review  
9 of proposed contracts under this section shall be a precondition to  
10 execution of any final contract between one or more school districts  
11 and a public or private entity for medical assistance billing agent  
12 services.

13 NEW SECTION. **Sec. 6.** This act is necessary for the immediate  
14 preservation of the public peace, health, or safety, or support of the  
15 state government and its existing public institutions, and shall take  
16 effect immediately.