

# HOUSE BILL REPORT

## ESB 6404

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As Passed House  
March 2, 1994

**Title:** An act relating to excluding medical assistance administration fee and reimbursement schedules from the administrative procedure act.

**Brief Description:** Excluding medical assistance administration reimbursement fees and schedules from the administrative procedure act.

**Sponsors:** Senators Wojahn, McAuliffe and Moyer; by request of Department of Social and Health Services.

**Brief History:**

Reported by House Committee on:  
Health Care, February 22, 1994, DP.  
Passed House, March 2, 1994, 96-0.

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### HOUSE COMMITTEE ON HEALTH CARE

**Majority Report:** Do pass. Signed by 15 members: Representatives Dellwo, Chair; L. Johnson, Vice Chair; Dyer, Ranking Minority Member; Ballasiotes, Assistant Ranking Minority Member; Backlund; Conway; Cooke; Flemming; R. Johnson; Lemmon; Lisk; Mastin; Morris; Thibaudeau and Veloria.

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

**Background:** In August 1993 a superior court ruled that the adoption of rate schedules by the Medical Assistance Administration (MAA) of the Department of Social and Health Services (DSHS) is "rule making" and must comply with the Administrative Procedures Act (APA), Chapter 34.05 RCW. In essence, this decision requires MAA to use the Washington Administrative Code (WAC) as its method for changing its reimbursement rates to providers.

DSHS believes this requirement places an undue administrative burden on MAA and disadvantages DSHS providers and clients.

**Summary of Bill:** The law is clarified that arithmetic calculation of payment rates for services and items

purchased under contract for clients eligible under Chapter 74.09 RCW are explicitly exempted from the APA.

This exemption is similar to that provided to the Department of Labor and Industries in 1993.

**Fiscal Note:** Not requested.

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

**Testimony For:** The change is needed to expedite provider fee modification.

**Testimony Against:** None.

**Witnesses:** None.