

**SENATE BILL REPORT**

**SHB 2493**

**AS OF FEBRUARY 14, 1994**

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

**SPONSORS:** House Committee on Health Care (originally sponsored by Representatives Dellwo and Dyer; by request of Department of Social and Health Services)

**HOUSE COMMITTEE ON HEALTH CARE**

**SENATE COMMITTEE ON HEALTH & HUMAN SERVICES**

**Staff:** Rhoda Jones (786-7198)

**Hearing Dates:** February 16, 1994

**BACKGROUND:**

Fee schedules set by the Department of Social and Health Services Medical Assistance Administration (MAA) are established according to legislatively-approved budget provisions. There is little discretion in setting payment rates since these activities are primarily arithmetic rather than discretionary in nature.

A recent superior court decision ruled that the adoption of rate schedules by the MAA is "rulemaking" and must comply with the Administrative Procedure Act (APA), Chapter 34.05 RCW. This decision, if applied to present practice, would delay MAA's ability to change payment rates for providers.

**SUMMARY:**

It is clarified that arithmetic calculation of payment rates for services and items purchased under contract for clients eligible under 74.09 RCW (public assistance for medical care) are explicitly exempt from the state Administrative Procedure Act.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** none requested