

SENATE BILL REPORT

SB 5725

AS PASSED SENATE, MARCH 11, 1993

Brief Description: Requiring computerized collection of health insurance coverage provided by certain state entities.

SPONSORS: Senators Rinehart, McDonald and Moyer; by request of Department of Social and Health Services

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rinehart, Chairman; Spanel, Vice Chairman; Anderson, Bauer, Bluechel, Cantu, Gaspard, Hochstatter, McDonald, Moyer, Owen, Pelz, Quigley, Roach, Sutherland, West, and Wojahn.

Staff: Cindi Holmstrom (786-7715)

Hearing Dates: February 25, 1993; March 1, 1993

BACKGROUND:

The DSHS Medical Assistance program is responsible for necessary medical care to eligible persons with low incomes. The Office of Provider Services within Medical Assistance operates a medical recovery program which determines the legal liability of third parties to pay for medical services. The program identifies recipients with private insurance and other third-party resources, thereby reducing unnecessary Medical Assistance payments.

SUMMARY:

The Medical Assistance Administration is directed to provide computerized information to private insurers regarding client eligibility and coverage. Private insurers will use this information to identify joint beneficiaries. Identification of joint beneficiaries shall be transmitted to Medical Assistance. Medical Assistance shall use this information to improve the collection of benefits from third-party payers.

Medical Assistance shall establish a group of insurers and state agency representatives to develop necessary file specifications to promote a standardized data base.

Medical Assistance shall target implementation to private insurers with the highest probability of joint beneficiaries.

Appropriation: none

Revenue: none

Fiscal Note: requested

TESTIMONY FOR:

Medical Assistance is the "payer of last resort." All other health insurance resources must be used before Medical Assistance payment is made. By automating the third party identification process an increased number of recipients with third party resources will be identified which is estimated to save the state \$3.1 million next biennium. In addition, this measure will reduce the number of inappropriate bills sent to third party insurers.

TESTIMONY AGAINST: None

TESTIFIED: Jim Peterson, DSHS Medical Assistance (pro); Greg Vigdor, Washington State Hospital Association (pro); Susie Tracy, Washington State Medical Association (pro); Colleen Knox, Multi Care Medical Center (pro); Carol Monohon, Blue Cross of Washington and Alaska, Washington Physicians Service (neutral)