

SENATE BILL REPORT

ESB 6404

AS PASSED SENATE, FEBRUARY 14, 1994

**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

**SENATE COMMITTEE ON HEALTH & HUMAN SERVICES**

**Majority Report:** Do pass as amended.

Signed by Senators Talmadge, Chairman; Wojahn, Vice Chairman; Deccio, Erwin, Franklin, Fraser, Hargrove, McAuliffe, Moyer, Niemi, Prentice, L. Smith and Winsley.

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

**Hearing Dates:** February 2, 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. 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

**TESTIMONY FOR:**

The bill allows the Medical Assistance Administration (MAA) to set fee schedules without going through the public review process of the ADA.

**TESTIMONY AGAINST:** None

**TESTIFIED:** PRO: Jim Peterson, Assistant Secretary, Medical Assistance Administration, DSHS; Susie Tracy, WSMA/WSMGMA; Dave Broderick, Hospital Association