

# HOUSE BILL REPORT

## HB 2682

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### As Reported By House Committee On:

Appropriations

**Title:** An act relating to medicaid reimbursement payments to school districts.

**Brief Description:** Changing disbursement of medicaid incentive payments to school districts.

**Sponsors:** Representatives McMorris, Chandler, Linville and Clements; by request of Superintendent of Public Instruction.

### **Brief History:**

#### **Committee Activity:**

Appropriations: 2/27/98, 2/3/98 [DP].

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### HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** Do pass. Signed by 30 members: Representatives Huff, Chairman; Alexander, Vice Chairman; Clements, Vice Chairman; Wensman, Vice Chairman; H. Sommers, Ranking Minority Member; Doumit, Assistant Ranking Minority Member; Gombosky, Assistant Ranking Minority Member; Benson; Carlson; Chopp; Cody; Cooke; Crouse; Dyer; Grant; Keiser; Kenney; Kessler; Lambert; Linville; Lisk; Mastin; McMorris; Parlette; Poulsen; D. Schmidt; Sehlin; Sheahan; Talcott and Tokuda.

**Staff:** Jack Daray (786-7178).

**Background:** Washington receives federal Medicaid funds to reimburse school districts for costs incurred in providing medical services to special education students. School districts pay for medical services with state funds. The state then bills Medicaid for covered services. After administrative and billing fees are paid, the Office of the Superintendent of Public Instruction (OSPI) pays 80 percent of the reimbursement to the state general fund. The OSPI pays the remaining 20 percent of the reimbursement to school districts, if school districts apply the money toward special education students. The 1997-99 state budget was developed on the assumption that \$11.6 million in Medicaid funds will offset state general fund expenditures as a result of billings submitted by 264 school districts, including 201 districts with enrollments of fewer than 2,000 full time equivalent students.

**Summary of Bill:** School districts with enrollments of fewer than 2,000 full time equivalent students are to be provided 50 percent of Medicaid recoveries instead of the 20 percent they currently receive.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** Because the current state budget assumed the cost of recovering 50 percent of Medicaid for second class school districts, the Office of the Superintendent of Public Instruction would like to proceed as soon as possible in distributing the funds.

**Testimony Against:** None.

**Testified:** Jean Ameluxen, Office of the Superintendent of Public Instruction.