

HOUSE BILL ANALYSIS

HB 2682

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

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 enrollment less than 2,000 full time equivalent.

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

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

Fiscal Note: Requested January 22, 1998.