

# SENATE BILL REPORT

## HB 2682

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As Reported By Senate Committee On:  
Ways & Means, February 25, 1998

**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:** Ways & Means: 2/24/98, 2/25/98 [DP].

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators West, Chair; Strannigan, Vice Chair; Bauer, Hochstatter, Kohl, Long, Loveland, McDonald, Rossi, B. Sheldon, Spanel, Swecker, Thibaudeau and Winsley.

**Staff:** Bill Freund (786-7441)

**Background:** Certain medical services provided by school districts to special education students are eligible for Medicaid coverage. School districts are required to apply for Medicaid funds. The federal Medicaid funds are turned over to the state to help offset the state's cost of the special education program. The offset amounts to \$11.6 million for the 1997-99 biennium.

School districts are allowed to retain administrative and billing fees and 20 percent of the federal Medicaid funds as an incentive to participate in the program. In 1997, Second Substitute House Bill 1709 would have allowed school districts with enrollments of under 2000 students to retain 50 percent of the federal funds. It was assumed in the 1997 state budget that this bill would be enacted and \$700,000 was budgeted for that purpose. However, the bill was not enacted.

**Summary of Bill:** The amount of federal Medicaid funds which may be retained is increased from 20 percent to 50 percent for school districts with enrollments of less than 2000 students.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** Small districts are required to apply for federal Medicaid funds but the 20 percent they get to keep does not cover the cost of having to apply for the funds.

**Testimony Against:** None.

**Testified:** Representative McMorris, prime sponsor.