
SUBSTITUTE HOUSE BILL 1240

State of Washington

56th Legislature

1999 Regular Session

By House Committee on Education (originally sponsored by Representatives McMorris, Quall, Sump, Haigh, Keiser and Kenney; by request of Superintendent of Public Instruction)

Read first time 02/10/1999.

1 AN ACT Relating to medicaid reimbursements to school districts;
2 amending RCW 74.09.5255 and 74.09.5256; and declaring an emergency.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 74.09.5255 and 1994 c 180 s 6 are each amended to read
5 as follows:

6 Of the projected federal medicaid and private insurance revenue
7 collected under RCW 74.09.5249, twenty percent, after deduction for
8 billing fees, shall be for incentive payments to first class school
9 districts and fifty percent, after deduction for billing fees, shall be
10 for incentive payments to second class school districts. Incentive
11 payments shall only be used by districts for children with
12 disabilities.

13 **Sec. 2.** RCW 74.09.5256 and 1994 c 180 s 7 are each amended to read
14 as follows:

15 (1) Districts shall reassign medicaid payments to be received under
16 RCW 74.09.5249 through 74.09.5253, 74.09.5254 and 74.09.5255, and this
17 section to the superintendent of public instruction.

1 (2) The superintendent of public instruction shall receive medicaid
2 payments from the department of social and health services for all
3 state and federal moneys under Title XIX of the federal social security
4 act due to districts for medical assistance provided in the district's
5 special education program.

6 (3) The superintendent shall use reports from the department of
7 social and health services, the state billing agent, districts acting
8 as their own billing agent, and firms to calculate the appropriate
9 amounts of incentive payments and state special education program
10 moneys due each district.

11 (4) Moneys received by the superintendent of public instruction
12 shall be disbursed for the following purposes:

13 (a) Reimbursement to the department of social and health services
14 for the state-funded portion of medicaid payments;

15 (b) Reimbursement for billing agent's fees, including those of
16 districts acting as their own agent and billing fees of firms;

17 (c) Incentive payments to first class school districts equal to
18 twenty percent of the federal portion of medicaid payments after
19 deduction for billing fees; ((and))

20 (d) Incentive payments to second class school districts equal to
21 fifty percent of the federal portion of medicaid payments after
22 deduction of billing fees; and

23 (e) The remainder shall be distributed to districts as part of
24 state allocations for the special education program provided under RCW
25 28A.150.390.

26 (5) With respect to private insurer funds received by districts,
27 the superintendent of public instruction shall reduce state special
28 education program allocations to ((the)) first class districts by
29 eighty percent of the amount received, after deduction for billing fees
30 and to second class districts by fifty percent of the amount received,
31 after deduction for billing fees.

32 NEW SECTION. Sec. 3. This act is necessary for the immediate
33 preservation of the public peace, health, or safety, or support of the
34 state government and its existing public institutions, and takes effect
35 immediately.

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