
SUBSTITUTE HOUSE BILL 1242

State of Washington

56th Legislature

1999 Regular Session

By House Committee on Education (originally sponsored by Representatives Linville, Carlson, Keiser, Schual-Berke and Haigh; by request of Superintendent of Public Instruction)

Read first time 02/10/1999.

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

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

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

7 (1) Of the projected federal medicaid and private insurance revenue
8 collected under RCW 74.09.5249(~~7~~):

9 (a) Until July 1, 1999, twenty percent, after deduction for billing
10 fees, shall be for incentive payments to first class school districts;

11 (b) Beginning on the effective date of this section until July 1,
12 1999, fifty percent, after deduction for billing fees, shall be for
13 incentive payments to second class school districts; and

14 (c) Beginning July 1, 1999, fifty percent, after deduction for
15 billing fees, shall be for incentive payments to first and second class
16 school districts.

17 (2) Incentive payments shall only be used by districts for children
18 with disabilities.

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

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

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

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

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

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

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

22 (c)(i) Until July 1, 1999, incentive payments to first class school
23 districts equal to twenty percent of the federal portion of medicaid
24 payments after deduction for billing fees; ((and))

25 (ii) For second class school districts, beginning on the effective
26 date of this section, and until July 1, 1999, incentive payments to
27 second class school districts equal to fifty percent of the federal
28 portion of medicaid payments after deduction for billing fees; and

29 (iii) Beginning July 1, 1999, incentive payments to school
30 districts equal to fifty percent of the federal portion of medicaid
31 payments after deduction for billing fees; and

32 (d) The remainder shall be distributed to districts as part of
33 state allocations for the special education program provided under RCW
34 28A.150.390.

35 (5) With respect to private insurer funds received by districts,
36 the superintendent of public instruction shall reduce state special
37 education program allocations to the districts as provided in this
38 section.

1 (a) Until July 1, 1999, for first class districts, by eighty
2 percent of the amount received, after deduction for billing fees;

3 (b) Beginning on the effective date of this section and until July
4 1, 1999, for second class districts, by fifty percent of the amount
5 received, after deduction for billing fees; and

6 (c) Beginning July 1, 1999, for first and second class school
7 districts, by fifty percent of the amount received, after deduction for
8 billing fees.

9 NEW SECTION. Sec. 3. This act is necessary for the immediate
10 preservation of the public peace, health, or safety, or support of the
11 state government and its existing public institutions, and takes effect
12 immediately.

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