

CERTIFICATION OF ENROLLMENT
SUBSTITUTE SENATE BILL 5626

Chapter 318, Laws of 1999

56th Legislature
1999 Regular Session

SCHOOL DISTRICTS--MEDICAID REIMBURSEMENT PAYMENTS

EFFECTIVE DATE: 5/14/99 - Except sections 2 and 4 which become effective on 7/1/99.

Passed by the Senate April 24, 1999
YEAS 45 NAYS 1

BRAD OWEN
President of the Senate

Passed by the House April 8, 1999
YEAS 95 NAYS 0

CLYDE BALLARD
**Speaker of the
House of Representatives**

FRANK CHOPP
**Speaker of the
House of Representatives**

Approved May 14, 1999

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

I, Tony M. Cook, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5626** as passed by the Senate and the House of Representatives on the dates hereon set forth.

TONY M. COOK
Secretary

FILED

May 14, 1999 - 6:28 p.m.

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5626

AS AMENDED BY THE HOUSE

Passed Legislature - 1999 Regular Session

State of Washington 56th Legislature 1999 Regular Session

By Senate Committee on Education (originally sponsored by Senators Franklin, McAuliffe, Fairley, Kohl-Welles, Patterson, Costa, McCaslin, Kline, Wojahn and Rasmussen)

Read first time 02/24/1999.

1 AN ACT Relating to medicaid reimbursement payments to school
2 districts; amending RCW 74.09.5255 and 74.09.5256; providing an
3 effective date; and declaring an 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 Of the projected federal medicaid and private insurance revenue
8 collected under RCW 74.09.5249, twenty percent, after deduction for
9 billing fees, shall be for incentive payments to first class school
10 districts and fifty percent, after deduction for billing fees, shall be
11 for incentive payments to second class school districts. Incentive
12 payments shall only be used by districts for children with
13 disabilities.

14 **Sec. 2.** RCW 74.09.5255 and 1999 c . . . s 1 (section 1 of this
15 act) are each amended to read as follows:

16 Of the projected federal medicaid and private insurance revenue
17 collected under RCW 74.09.5249, (~~twenty~~) one-half of the percent of
18 potential medicaid eligible students billed by the school district as

1 calculated by the superintendent multiplied by the federal portion of
2 medicaid payments, after deduction for billing fees, shall be for
3 incentive payments to (~~first class school districts and fifty percent,~~
4 ~~after deduction for billing fees,~~ shall be for incentive payments to
5 ~~second class school~~) districts. Incentive payments shall only be used
6 by districts for children with disabilities.

7 **Sec. 3.** RCW 74.09.5256 and 1994 c 180 s 7 are each amended to read
8 as follows:

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

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

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

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

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

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

28 (c) Incentive payments to first class school districts equal to
29 twenty percent of the federal portion of medicaid payments after
30 deduction for billing fees; (~~and~~)

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

34 (e) The remainder shall be distributed to districts as part of
35 state allocations for the special education program provided under RCW
36 28A.150.390.

37 (5) With respect to private insurer funds received by districts,
38 the superintendent of public instruction shall reduce state special

1 education program allocations to ~~((the))~~ first class districts by
2 eighty percent of the amount received, after deduction for billing fees
3 and to second class districts by fifty percent of the amount received,
4 after deduction for billing fees.

5 **Sec. 4.** RCW 74.09.5256 and 1999 c . . . s 3 (section 3 of this
6 act) are each amended to read as follows:

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

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

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

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

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

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

26 (c) Incentive payments to ~~((first class))~~ each school district~~((s))~~
27 equal to ~~((twenty))~~ one-half of the percent of potential medicaid
28 eligible students billed by the school district as calculated by the
29 superintendent multiplied by the federal portion of medicaid payments
30 after deduction for billing fees; and

31 ~~((Incentive payments to second class school districts equal to~~
32 ~~fifty percent of the federal portion of medicaid payments after~~
33 ~~deduction of billing fees; and~~

34 ~~((e)))~~ The remainder shall be distributed to districts as part of
35 state allocations for the special education program provided under RCW
36 28A.150.390.

37 (5) With respect to private insurer funds received by districts,
38 the superintendent of public instruction shall reduce state special

1 education program allocations to (~~first class~~) districts by (~~eighty~~
2 ~~percent of the amount received~~) one minus the percent calculated by
3 the superintendent in subsection (4)(c) of this section, after
4 deduction for billing fees (~~and to second class districts by fifty~~
5 ~~percent of the amount received, after deduction for billing fees~~)).

6 NEW SECTION. **Sec. 5.** (1) Sections 1 and 3 of this act are
7 necessary for the immediate preservation of the public peace, health,
8 or safety, or support of the state government and its existing public
9 institutions, and take effect immediately.

10 (2) Sections 2 and 4 of this act are necessary for the immediate
11 preservation of the public peace, health, or safety, or support of the
12 state government and its existing public institutions, and take effect
13 July 1, 1999.

Passed the Senate April 24, 1999.

Passed the House April 8, 1999.

Approved by the Governor May 14, 1999.

Filed in Office of Secretary of State May 14, 1999.