

# SENATE BILL REPORT

## SB 6710

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As of February 2, 2010

**Title:** An act relating to administration of the medicaid program.

**Brief Description:** Concerning administration of the medicaid program.

**Sponsors:** Senator Keiser; by request of Governor Gregoire.

**Brief History:**

**Committee Activity:** Health & Long-Term Care: 2/01/10.

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### SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

**Staff:** Mich'l Needham (786-7442)

**Background:** The state purchases medical care for over a million covered lives, and provides access to medical coverage through a number of different programs. Health-related spending by state government agencies exceeds \$9 billion for the 2009-2011 biennium, or nearly one-third of the entire state budget. The largest medical programs are provided through medical assistance programs, often identified as Medicaid, the Basic Health program, and employee benefit programs. Medical assistance programs are currently administered by the Health and Recovery Services Administration of the Department of Social and Health Services (DSHS). The Basic Health program and Public Employees Benefits Board programs are administered by the state Health Care Authority (HCA).

Governor Gregoire has announced her desire to review all of state purchasing of health care, and she proposes to consolidate all purchasing and transfer administration of the medical assistance programs from DSHS to HCA.

**Summary of Bill:** References throughout the medical assistance statutes in Chapter 74.09 RCW are modified: references to DSHS are changed to agency; Secretary of DSHS is modified to the head of the agency; the single state Medicaid agency is the agency designated by the Governor and approved by the Secretary of the federal Department of Health and Human Services; and references to DSHS services for the mentally retarded are modified to persons with intellectual disabilities.

**Appropriation:** None.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** PRO: The Governor believes Washington should align the purchasing of health care and look for opportunities to serve more people more efficiently. It is the intent to transfer DSHS medical assistance to HCA and improve cost controls and quality. We should focus on preserving the safety net and gain control of health care purchasing, while capitalizing on the opportunities presented with federal health reform and move toward readiness for those efforts. This will be a two-phase approach: the first phase is the enabling legislation that provides the authority for the Governor to designate the agency; the second will entail many conversations with the Legislature and stakeholders, a detailed budget proposal for the 2011-13 budget, and a detailed plan.

OTHER: Currently DSHS is designated as the single state agency for Medicaid and this allows the flexibility to distribute the Medicaid funding across the administrations. The Aging and Disability Services Administration (ADSA) has one of the best, if not the best, approaches to long-term care in the country, largely because of the organization structure that provides control over their own Medicaid budget and the focus on the home and community options. Designating a different agency as the single Medicaid agency and moving the Medicaid medical programs out of the agency may negatively impact the long-term care population and program. Counties support the intent to provide more efficiencies and would like to be included in formal stakeholder discussions. Over 20 bills have been introduced that have to do with consolidation efforts. Language needs to be included to preserve collective bargaining rights in any transition. Any consolidation needs to be done in a thoughtful way. There are possible impacts when we move services further apart, rather than moving toward more integration. We need to be thoughtful in considering long-term care, mental health, and dually eligible populations.

**Persons Testifying:** PRO: Robin Arnold Williams, Governor's Office; Susan Dreyfus, Doug Porter, DSHS; Steve Hill, HCA.

OTHER: Charles Reed, former ADSA Assistant Secretary; Rashi Gupta, Washington State Association of Counties; Matt Zuvich, Washington Federation of State Employees; Misha Wershkill, SEUI 775 NW.