

FINAL BILL REPORT

2E2SHB 1738

C 15 L 11 E1
Synopsis as Enacted

Brief Description: Changing the designation of the medicaid single state agency.

Sponsors: House Committee on Ways & Means (originally sponsored by Representatives Cody and Jinkins; by request of Governor Gregoire).

House Committee on Health Care & Wellness
House Committee on Ways & Means
Senate Committee on Ways & Means
Senate Committee on Health & Long-Term Care

Background:

State medical assistance programs pay for health care for low-income state residents, primarily through the Medicaid program. The majority of these programs are administered by the Department of Social and Health Services (DSHS). Most of these programs are jointly funded with state and federal matching funds. Federal law requires each state that participates in Medicaid to designate a single state agency responsible for administration and supervision of the state's Medicaid program. In Washington, that agency is the DSHS.

The Health Care Authority (Authority) administers state employee health benefit programs through the Public Employees Benefits Board as well as health care programs targeted at low-income individuals, such as the Basic Health Plan and the Community Health Services Grants. In addition, the Authority coordinates initiatives related to state purchased health care, such as the Prescription Drug Program and the Health Technology Assessment Program.

Summary:

The Authority is designated as the single state agency for the administration and supervision of Washington's Medicaid program. The Authority is to be led by a "director," rather than an "administrator." The director is authorized to administer the medical assistance programs and the State Children's Health Insurance Program and is responsible for the disbursement of funds that the state receives in relation to those programs. The director may appoint any committees and commissions needed to comply with federal laws and funding requirements. All responsibilities related to the administration of the Medicaid program are transferred to

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.

the Authority. Several responsibilities that had been shared between divisions of the DSHS will be shared between the Authority and the DSHS.

All employees of the Medicaid Purchasing Administration (MPA) within the DSHS are transferred to the Authority. All rules, apportionments of budgeted funds, and pending business of the MPA are also transferred to the Authority.

The Authority is authorized to conduct adjudicative proceedings for: (1) an applicant or enrollee who is aggrieved by a decision of the Authority; or (2) a current or former enrollee who is aggrieved by a claim that he or she owes a debt for overpayment. (This authority is substantially similar to the adjudicative proceeding authority of the DSHS.) Procedures and standards are established to allow for the severance of applications for review of decisions made by both the Authority and the DSHS into multiple proceedings.

The Authority is authorized to charge fees, collect overpayments, and file liens. In addition, the Authority may collect from tortfeasors or their insurer in any case in which assistance is paid due to negligent conduct toward an enrollee. (This authority is substantially similar to the DSHS's authority to collect overpayments and secure reimbursements.)

The DSHS's responsibilities regarding coordination with health insurers for health benefits for recipients of medical services are transferred to the Authority.

The Authority is authorized to collaborate with other state or local agencies and nonprofit entities to carry out its responsibilities.

The DSHS and the Authority must determine financial and functional eligibility for people applying for long-term care services through a single process in a single location.

It is specified that the Disproportionate Share Hospital payment methodology provisions do not create a right or entitlement for any hospitals.

References to several expired duties are eliminated, including reporting on children's Medicaid mental health benefits and amending the state Medicaid Plan to include personal care services in the categorically needy program.

The DSHS and the Authority must provide a preliminary report to the Governor and Legislature by December 10, 2011, and a final implementation plan by December 1, 2012, regarding the role of the Authority in purchasing mental health, chemical dependency, and long-term care services. Several items must be addressed in the reports including improvement of prevention efforts, approaches to service delivery, assurances of long-term care services in the least restrictive environment, measurements of cost savings, measurement of outcomes and satisfaction, designation of a single point of entry for eligibility determinations, and collaboration with local governments. The DSHS and the Authority must consult with stakeholders and cooperate with the Joint Select Committee on Health Reform Implementation while developing these recommendations.

Votes on Final Passage:

House 54 43

First Special Session

House 53 42

Senate 44 0 (Senate amended)

House 53 35 (House concurred)

Effective: July 1, 2011