
HOUSE BILL 2708

State of Washington

65th Legislature

2018 Regular Session

By Representatives Riccelli and Dolan

Read first time 01/12/18. Referred to Committee on Health Care & Wellness.

1 AN ACT Relating to an ambulance transport quality assurance fee;
2 reenacting and amending RCW 43.84.092; adding a new chapter to Title
3 74 RCW; prescribing penalties; providing a contingent expiration
4 date; and declaring an emergency.

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

6 NEW SECTION. **Sec. 1.** The purpose of this chapter is to provide
7 for a safety net fee for certain ambulance transports, which will be
8 used to augment funding from all other sources, thereby supporting
9 additional payments to ambulance transport providers for medicaid
10 services as specified in this chapter.

11 NEW SECTION. **Sec. 2.** The definitions in this section apply
12 throughout this chapter unless the context clearly requires
13 otherwise.

14 (1) "Aggregate fee schedule increase amount" means the product of
15 the quotient described in section 6(1) of this act and the ambulance
16 transports, utilizing the billing codes for ambulance transport for
17 the state fiscal year.

18 (2) "Ambulance transport" means the act of transporting an
19 individual from any point of origin to the nearest medical facility
20 capable of meeting the medical needs of the patient by an ambulance

1 licensed, operated, and equipped in accordance with applicable state
2 or local statutes, ordinances, or regulations that are billed with
3 the federal centers for medicare and medicaid services health care
4 common procedure coding system (HCPCS) billing codes A0429 BLS
5 Emergency, A0428 BLS Non-Emergency, A0427 ALS Emergency, A0426 ALS
6 Non-Emergency, A0425 Mileage, and A0433 ALS2, A0434 Specialty Care
7 and any equivalent, predecessor, or successor billing codes as may be
8 determined by the authority. "Ambulance transports" does not include
9 transportation of beneficiaries by passenger car, taxicabs, litter
10 vans, wheelchair vans, or other forms of public or private
11 conveyances, nor does it include transportation by an air ambulance
12 provider. An "ambulance transport" does not occur when, following
13 evaluation of a patient, a transport is not provided.

14 (3) "Ambulance transport provider" means any state licensed
15 provider of ambulance transports.

16 (4) "Ambulance transport provider subject to the fee" means all
17 ambulance transport providers that bill and receive patient care
18 revenue from the provision of ambulance transports, except ambulance
19 transport providers that are exempt pursuant to section 9(3) of this
20 act.

21 (5) "Annual quality assurance fee rate" means the quality
22 assurance fee assessed on each ambulance transport during each
23 applicable state fiscal year.

24 (6) "Authority" means the Washington state health care authority.

25 (7) "Available fee amount" means the sum of the following:

26 (a) The amount deposited in the ambulance transport fund
27 established under section 5 of this act during the applicable state
28 fiscal year, less the amounts described in section 5(3) (a) and (b)
29 of this act; and

30 (b) Any federal financial participation obtained as a result of
31 the deposit of the amount described in section 4 of this act, for the
32 applicable state fiscal year.

33 (8) "Effective state medical assistance percentage" means a ratio
34 of the aggregate expenditures from state-only sources for the
35 medicaid program divided by the aggregate expenditures from state and
36 federal sources for the medicaid program for a state fiscal year.

37 (9) "Gross receipts" means gross payments received as patient
38 care revenue for ambulance transports, determined on a cash basis of
39 accounting. "Gross receipts" includes all payments received as
40 patient care revenue for ambulance transports, including payments for

1 the federal centers for medicare and medicaid services health care
2 common procedure coding system (HCPCS) billing codes A0429 BLS
3 Emergency, A0428 BLS Non-Emergency, A0427 ALS Emergency, A0426 ALS
4 Non-Emergency, A0425 Mileage, and A0433 ALS2, A0434 Specialty Care
5 and any equivalent, predecessor, or successor billing codes as may be
6 determined by the authority, and any other ancillary billing codes
7 associated with ambulance transport as may be determined by the
8 authority. "Gross receipts" does not include supplemental amounts
9 received pursuant to RCW 41.05.730.

10 (10) "Managed care organization" means an organization having a
11 certificate of authority or certificate of registration from the
12 office of the insurance commissioner that contracts with the
13 authority under a comprehensive risk contract to provide prepaid
14 health care services to eligible clients under the authority's
15 medicaid managed care programs, including the healthy options
16 program.

17 (11) "Medicaid" means the medical assistance program as
18 established in Title XIX of the social security act and as
19 administered in the state of Washington by the authority.

20 NEW SECTION. **Sec. 3.** (1)(a) The authority shall establish the
21 manner and format for ambulance transport providers to report the
22 data required pursuant to this section.

23 (b) The authority may establish an internet web site for the
24 submission of reports required by this section.

25 (c) The authority may require a certification by each ambulance
26 transport provider under penalty of perjury of the truth of the
27 reports required under this section. Upon written notice to an
28 ambulance transport provider, the authority may impose a civil
29 penalty of one hundred dollars per day against an ambulance transport
30 provider for every day that an ambulance transport provider fails to
31 make a report required by this section within five days of the date
32 upon which the report was due. Any funds resulting from a penalty
33 imposed pursuant to this subsection shall be deposited in the
34 ambulance transport fund established in section 5 of this act.

35 (2) Each ambulance transport provider shall report to the
36 authority data on the number of actual ambulance transports by payer
37 type, as follows:

1 (a) For each quarter beginning on July 1, 2018, through the
2 quarter beginning on July 1, 2020, inclusive, the data shall be
3 submitted on or before October 15, 2020.

4 (b) For the quarter beginning on October 1, 2018, and continuing
5 each quarter thereafter, the data shall be submitted on or before the
6 forty-fifth day after the last day of the applicable quarter.

7 (3) Each ambulance transport provider shall report to the
8 authority data on the gross receipts received from the provision of
9 ambulance transports per state fiscal year, as follows:

10 (a) For the state fiscal years beginning on July 1, 2018, and
11 July 1, 2019, the data shall be submitted on or before October 15,
12 2020.

13 (b) For each state fiscal year beginning on July 1, 2020, and
14 continuing each state fiscal year thereafter, the data shall be
15 submitted on or before the forty-fifth day after the last day of the
16 applicable state fiscal year.

17 NEW SECTION. **Sec. 4.** (1) Commencing with the state fiscal
18 quarter beginning on July 1, 2020, and continuing each state fiscal
19 quarter thereafter there shall be imposed a quality assurance fee for
20 each ambulance transport provided by each ambulance transport
21 provider subject to the fee in accordance with this section.

22 (2)(a) On or before June 15, 2020, and continuing each June 15th
23 thereafter, the authority shall calculate the annual quality
24 assurance fee rate applicable to the following state fiscal year
25 based on the most recently collected data from ambulance transport
26 providers pursuant to section 3 of this act. The authority may
27 correct any identified material or significant errors in the data
28 collected from ambulance transport providers pursuant to section 3 of
29 this act for the purposes of calculating the annual quality assurance
30 fee rate.

31 (i) For the state fiscal year beginning on July 1, 2020, the
32 annual quality assurance fee rate shall be calculated by multiplying
33 the projected total annual gross receipts for all ambulance transport
34 providers subject to the fee by 5.1 percent, which resulting product
35 shall be divided by the projected total annual ambulance transports
36 by all ambulance transport providers subject to the fee for the state
37 fiscal year.

38 (ii) For state fiscal years beginning July 1, 2021, and
39 continuing each state fiscal year thereafter, the annual quality

1 assurance fee rate shall be calculated by a ratio, the numerator of
2 which shall be the sum of (A) the product of the projected aggregate
3 fee schedule amount and the effective state medical assistance
4 percentage and (B) the amount described in section 5(3)(a) of this
5 act for the state fiscal year, and the denominator of which shall be
6 ninety percent of the projected total annual ambulance transports by
7 all ambulance transport providers subject to the fee for the state
8 fiscal year.

9 (b) On or before June 15, 2020, and continuing each June 15th
10 thereafter for which this article is implemented, the authority shall
11 publish the annual quality assurance fee rate on its internet web
12 site.

13 (c) In no case shall the fees calculated pursuant to this
14 subsection (2)(c) and collected pursuant to this chapter exceed the
15 amounts allowable under federal law. If, on or before June 15th of
16 each year, the authority makes a determination that the fees
17 collected pursuant to this subsection exceed the amounts allowable
18 under federal law, the authority may reduce the add-on increase to
19 the fee-for-service payment schedule described in section 6 of this
20 act only to the extent necessary to reflect the amount of fees
21 allowable under federal law in an applicable state fiscal year.

22 (d) If, during a state fiscal year, the actual or projected
23 available fee amount exceeds or is less than the actual or projected
24 aggregate fee schedule amount by more than one percent, the authority
25 shall adjust the annual quality assurance fee rate so that the
26 available fee amount for the state fiscal year will approximately
27 equal the aggregate fee schedule amount for the state fiscal year.
28 The available fee amount for a state fiscal year shall be considered
29 to equal the aggregate fee schedule amount for the state fiscal year
30 if the difference between the available fee amount for the state
31 fiscal year and the aggregate fee schedule amount for the state
32 fiscal year constitutes less than one percent of the aggregate fee
33 schedule amount for the state fiscal year.

34 (3)(a) Each ambulance transport provider subject to the fee shall
35 remit to the authority an amount equal to the annual quality
36 assurance fee rate for the 2020-2021 state fiscal year multiplied by
37 the number of transports reported or that should have been reported
38 by the ambulance transport provider pursuant to section 3(2) of this
39 act in the quarter beginning on April 1, 2020, based on a schedule
40 established by the authority. The schedule established by the

1 authority for the fee payment described in this subsection shall
2 require remittance of the fee payment according to the following
3 guidelines:

4 (i) The authority shall require an ambulance transport provider
5 that rendered thirty-five thousand or more medicaid fee-for-service
6 ambulance transports during the 2019-2020 state fiscal year to remit
7 the fee payment described in this subsection on or after July 1,
8 2020.

9 (ii) The authority shall require an ambulance transport provider
10 that rendered fewer than thirty-five thousand medicaid fee-for-
11 service ambulance transports during the 2019-2020 state fiscal year
12 to remit fifty percent or less of the fee payment described in this
13 subsection on or after August 1, 2020.

14 (iii) The authority shall require an ambulance transport provider
15 that rendered fewer than thirty-five thousand medicaid fee-for-
16 service ambulance transports during the 2019-2020 state fiscal year
17 to remit any remaining fee payment amount described in this
18 subsection on or after August 15, 2020.

19 (b) Commencing with the state fiscal quarter beginning on October
20 1, 2018, and continuing each state fiscal quarter thereafter, on or
21 before the first day of each state fiscal quarter, each ambulance
22 transport provider subject to the fee shall remit to the authority an
23 amount equal to the annual quality assurance fee rate for the
24 applicable state fiscal year multiplied by the number of transports
25 reported or that should have been reported by the ambulance transport
26 provider pursuant to section 3(2) of this act in the immediately
27 preceding quarter.

28 (4)(a) Interest shall be assessed on quality assurance fees not
29 paid on the date due at the greater of ten percent per annum or the
30 rate at which the authority assesses interest on medicaid program
31 overpayments pursuant to WAC 182-502-0130. Interest shall begin to
32 accrue the day after the date the payment was due and shall be
33 deposited in the ambulance transport fund established in section 5 of
34 this act.

35 (b) In the event that any fee payment is more than sixty days
36 overdue, the authority may deduct the unpaid fee and interest owed
37 from any medicaid reimbursement payments owed to the ambulance
38 transport provider until the full amount of the fee, interest, and
39 any penalties assessed under this chapter are recovered. Any
40 deduction made pursuant to this subsection shall be made only after

1 the authority gives the ambulance transport provider written
2 notification. Any deduction made pursuant to this subsection may be
3 deducted over a period of time that takes into account the financial
4 condition of the ambulance transport provider.

5 (c) In the event that any fee payment is more than sixty days
6 overdue, a penalty equal to the interest charge described in (a) of
7 this subsection shall be assessed and due for each month for which
8 the payment is not received after sixty days. Any funds resulting
9 from a penalty imposed pursuant to this subsection shall be deposited
10 into the ambulance transport fund established in section 5 of this
11 act.

12 (d) The authority may waive a portion or all of either the
13 interest or penalties, or both, assessed under this chapter in the
14 event the authority determines, in its sole discretion, that the
15 ambulance transport provider has demonstrated that imposition of the
16 full amount of the quality assurance fee pursuant to the timelines
17 applicable under this chapter has a high likelihood of creating an
18 undue financial hardship for the provider. Waiver of some or all of
19 the interest or penalties pursuant to this subsection shall be
20 conditioned on the ambulance transport provider's agreement to make
21 fee payments on an alternative schedule developed by the authority.

22 (5) The authority shall accept an ambulance transport provider's
23 payment even if the payment is submitted in a rate year subsequent to
24 the rate year in which the fee was assessed.

25 (6) In the event of a merger, acquisition, or similar transaction
26 involving an ambulance transport provider that has outstanding
27 quality assurance fee payment obligations pursuant to this chapter,
28 including any interest and penalty amounts owed, the resultant or
29 successor ambulance transport provider shall be responsible for
30 paying to the authority the full amount of outstanding quality
31 assurance fee payments, including any applicable interest and
32 penalties, attributable to the ambulance transport provider for which
33 it was assessed, upon the effective date of such transaction. An
34 entity considering a merger, acquisition, or similar transaction
35 involving an ambulance transport provider may submit a request to the
36 authority to ascertain the outstanding quality assurance fee payment
37 obligations of the ambulance transport provider pursuant to this
38 chapter as of the date of the authority's response to that request.

1 NEW SECTION. **Sec. 5.** (1) A dedicated fund is hereby established
2 within the state treasury to be known as the ambulance transport
3 fund. The purpose and use of the fund shall be to receive and
4 disburse funds, together with accrued interest, in accordance with
5 this chapter. Moneys in the fund, including interest earned, shall
6 not be used or disbursed for any purposes other than those specified
7 in this chapter. Any amounts expended from the fund that are later
8 recouped by the authority on audit or otherwise shall be returned to
9 the fund. Moneys in the account may be spent only after
10 appropriation.

11 (2) The quality assurance fees collected by the authority
12 pursuant to section 4 of this act must be deposited in the ambulance
13 transport fund.

14 (3) The moneys in the ambulance transport fund, including any
15 interest and dividends earned on money in the fund, shall be
16 available exclusively to enhance federal financial participation for
17 ambulance services under the medicaid program and to provide
18 additional reimbursement to, and to support quality improvement
19 efforts of, ambulance transport providers, and to pay for the state's
20 administrative costs and to provide funding for health care coverage
21 for Washingtonians, in the following order of priority:

22 (a) To pay for the authority's staffing and administrative costs
23 directly attributable to implementing this chapter, not to exceed
24 twenty percent of the annual quality assurance fee collection amount,
25 exclusive of any federal matching funds; and

26 (b) To make increased payments to ambulance transport providers
27 pursuant to section 6 of this act.

28 NEW SECTION. **Sec. 6.** (1) Commencing July 1, 2020, and for each
29 state fiscal year thereafter, reimbursement to ambulance transport
30 providers for ambulance transports shall be increased by application
31 of an add-on to the associated medicaid fee-for-service payment
32 schedule. The add-on increase to the fee-for-service payment schedule
33 under this section shall be calculated on or before June 15, 2020,
34 and shall remain the same for later state fiscal years, to the extent
35 the authority determines federal financial participation is available
36 and is not otherwise jeopardized. The add-on increase to the fee-for-
37 service payment schedule under this section shall apply only to the
38 billing codes identified in, or any equivalent, predecessor, or
39 successor billing codes as may be determined by the authority

1 pursuant to, section 2(2) of this act. The authority shall calculate
2 the projections required by this subsection based on the data
3 submitted pursuant to section 3 of this act. The fee-for-service add-
4 on shall be equal to the quotient of the available fee amount
5 projected by the authority on or before June 15, 2020, for the 2020-
6 2021 state fiscal year, divided by the total medicaid ambulance
7 transports, utilizing the billing codes projected by the authority on
8 or before June 15, 2020, for the 2020-2021 state fiscal year. The
9 resulting fee-for-service payment schedule amounts after the
10 application of this section shall be equal to the sum of the medicaid
11 fee-for-service payment schedule amount for the 2017-2018 state
12 fiscal year and the add-on increase.

13 (2) The increased payments required by this section shall be
14 funded solely from the following:

15 (a) The quality assurance fee set forth in section 4 of this act,
16 along with any interest or other investment income earned on those
17 funds; and

18 (b) Federal reimbursement and any other related federal funds.

19 (3) The proceeds of the quality assurance fee set forth in
20 section 4 of this act, the matching amount provided by the federal
21 government, and any interest earned on those proceeds shall be used
22 to supplement, and not to supplant, existing funding for ambulance
23 transports provided by ambulance transport providers.

24 (4) Notwithstanding any provision of this chapter, the authority
25 may seek federal approval to implement any add-on increase to the
26 fee-for-service payment schedule pursuant to this section for any
27 state fiscal year or years, as applicable, on a time-limited basis
28 for a fixed program period, as determined by the authority.

29 (5) Notwithstanding any provision of this chapter, the add-on
30 increase to the fee-for-service payment schedule pursuant to this
31 section shall only be required and payable for state fiscal years for
32 which a quality assurance fee payment obligation exists for ambulance
33 transport providers.

34 NEW SECTION. **Sec. 7.** If there is a delay in the implementation
35 of this chapter for any reason, including a delay in any required
36 approval of the quality assurance fee and reimbursement methodology
37 specified by the federal centers for medicare and medicaid services,
38 both of the following shall apply:

1 (1) An ambulance transport provider subject to the fee may be
2 assessed the amount the provider would be required to pay to the
3 authority if the add-on increase to the fee-for-service payment
4 schedule described in section 4 of this act were already approved,
5 but shall not be required to pay the fee until the add-on increase to
6 the fee-for-service payment schedule described in section 4 of this
7 act is approved. The authority shall establish a schedule for payment
8 of retroactive fees pursuant to this subsection in consultation with
9 ambulance transport providers to minimize the disruption to the cash
10 flow of ambulance transport providers.

11 (2) The authority may retroactively implement the add-on increase
12 to the fee-for-service payment schedule pursuant to section 4 of this
13 act to the extent the authority determines that federal financial
14 participation is available and is not otherwise jeopardized.

15 NEW SECTION. **Sec. 8.** The authority may adopt rules to implement
16 this chapter.

17 NEW SECTION. **Sec. 9.** (1)(a) The authority shall request any
18 approval from the federal centers for medicare and medicaid services
19 it deems necessary for the use of fees pursuant to this chapter and
20 for the purpose of receiving associated federal matching funds.

21 (b) In making that request, the authority may seek, as it deems
22 necessary, a request for waiver of the broad-based requirement,
23 waiver of the uniformity requirement, or both, pursuant to 42 C.F.R.
24 Sec. 433.68(e)(1) and (2), or a request for waiver of any other
25 provisions of federal law or regulation necessary to implement this
26 chapter.

27 (c) This chapter shall be implemented only to the extent that any
28 necessary federal approvals are obtained and federal financial
29 participation is available and is not otherwise jeopardized.

30 (2) The authority may modify or make adjustments to any
31 methodology, fee amount, or other provision specified in this chapter
32 to the extent necessary to meet the requirements of federal law or
33 regulations or to obtain federal approval. If the authority, after
34 consulting with affected ambulance transport providers, determines
35 that a modification is needed, the authority shall execute a
36 declaration stating that this determination has been made and that
37 the actual or projected available fee amount for a state fiscal year
38 remains approximately equal to the actual or projected aggregate fee

1 schedule amount for each applicable state fiscal year, as defined by
2 section 4(2)(d) of this act. The authority shall retain the
3 declaration and provide a copy, within ten working days of the
4 execution of the declaration, to the appropriate fiscal and policy
5 committees of the legislature.

6 (3) The authority may add categories of exempt ambulance
7 transport providers or apply a nonuniform fee per transport to
8 ambulance transport providers that are subject to the fee in order to
9 meet requirements of federal law or regulations. The authority may
10 exempt categories of ambulance transport providers from the fee if
11 necessary to obtain federal approval.

12 (4) If, before June 1st preceding the start of an applicable
13 state fiscal year, the authority finds that the implementation of
14 this chapter is likely no longer a benefit to the general fund for
15 the applicable state fiscal year, the authority may decide to not
16 implement this chapter for that state fiscal year. The authority
17 shall notify the appropriate fiscal and policy committees of the
18 legislature, and ambulance transport providers via the authority's
19 internet web site, of its finding pursuant to this subsection.

20 NEW SECTION. **Sec. 10.** (1) This chapter shall be implemented by
21 the authority only if, as long as, and to the extent that, all of the
22 following conditions are met:

23 (a) The federal centers for medicare and medicaid services does
24 not determine that the quality assurance fee revenues may not be used
25 for the purposes set forth in this chapter.

26 (b) The authority obtains any necessary federal approvals for the
27 collection of the quality assurance fee pursuant to this chapter and
28 the add-on increase to the fee-for-service payment schedule described
29 in section 4 of this act.

30 (c) The state continues its maintenance of effort for the level
31 of state funding not derived from the quality assurance fee of
32 ambulance transports reimbursement for the 2020-2021 rate year, and
33 for each applicable rate year thereafter, in an amount not less than
34 the amount that the state would have paid for the same number of
35 ambulance transports under the rate methodology that was in effect on
36 July 31, 2018.

37 (d) Federal financial participation is available, and is not
38 otherwise jeopardized.

1 (2) This chapter shall cease to be operative on the first day of
2 the state fiscal year beginning on or after the date one or more of
3 the following conditions is satisfied:

4 (a) The federal centers for medicare and medicaid services no
5 longer allows the collection or use of the ambulance transport
6 provider assessment provided in this chapter;

7 (b) The increase to the medicaid payments described in section 6
8 of this act no longer remains in effect;

9 (c) The quality assurance fee assessed and collected pursuant to
10 this chapter is no longer available for the purposes specified in
11 this chapter;

12 (d) The authority determines that a change in federal law or
13 federal medicaid policy results or is likely to result in a reduction
14 of associated federal financial participation for the state medicaid
15 program such that the authority determines the continued
16 implementation of this chapter is no longer a benefit to the general
17 fund;

18 (e) A final judicial determination made by any state or federal
19 court that is not appealed, or by a court of appellate jurisdiction
20 that is not further appealed, in any action by any party, or a final
21 determination by the administrator of the federal centers for
22 medicare and medicaid services that is not appealed, that federal
23 financial participation is not available with respect to any payment
24 made under the methodology implemented pursuant to this chapter;

25 (f) The state does not continue its maintenance of effort for the
26 level of state funding of ambulance transports reimbursement for the
27 2020-2021 state fiscal year, or for any subsequent state fiscal year,
28 in an amount not less than the amount that the state would have paid
29 for the same number of ambulance transports under the rate
30 methodology in effect on July 31, 2018.

31 (3) In the event one or more of the conditions listed in
32 subsection (2) of this section is satisfied, the authority shall
33 notify, in writing and as soon as practicable, the secretary of
34 state, the secretary of the senate, the chief clerk of the house of
35 representatives, the appropriate fiscal and policy committees of the
36 legislature, and the code reviser's office of the condition and the
37 approximate date or dates that it occurred. The authority shall post
38 the notice on the authority's internet web site.

39 (4)(a) Notwithstanding any other law, in the event this chapter
40 becomes inoperative pursuant to subsection (2) of this section, the

1 authority shall be authorized to conduct all appropriate close-out
2 activities and implement applicable provisions of this chapter for
3 prior state fiscal years during which this chapter was operative
4 including, but not limited to, the collection of outstanding quality
5 assurance fees pursuant to section 4 of this act and payments
6 associated with any add-on increase to the medicaid fee-for-service
7 payment schedule pursuant to section 6 of this act. In implementing
8 these close-out activities, the authority shall ensure that the
9 actual or projected available fee amount for each applicable state
10 fiscal year remains approximately equal to the aggregate fee schedule
11 amount for the state fiscal year, as defined by section 4(2)(d) of
12 this act. During this close-out period, the full amount of the
13 quality assurance fee assessed and collected remains available only
14 for the purposes specified in this chapter.

15 (b) Upon a determination by the authority that all appropriate
16 close-out and implementation activities pursuant to (a) of this
17 subsection have been completed, the authority shall notify, in
18 writing, the secretary of state, the secretary of the senate, the
19 chief clerk of the house of representatives, the appropriate fiscal
20 and policy committees of the legislature, and the code reviser's
21 office of that determination. This chapter shall expire as of the
22 effective date of the notification issued by the authority pursuant
23 to this subsection.

24 **Sec. 11.** RCW 43.84.092 and 2017 3rd sp.s. c 25 s 50, 2017 3rd
25 sp.s. c 12 s 12, and 2017 c 290 s 8 are each reenacted and amended to
26 read as follows:

27 (1) All earnings of investments of surplus balances in the state
28 treasury shall be deposited to the treasury income account, which
29 account is hereby established in the state treasury.

30 (2) The treasury income account shall be utilized to pay or
31 receive funds associated with federal programs as required by the
32 federal cash management improvement act of 1990. The treasury income
33 account is subject in all respects to chapter 43.88 RCW, but no
34 appropriation is required for refunds or allocations of interest
35 earnings required by the cash management improvement act. Refunds of
36 interest to the federal treasury required under the cash management
37 improvement act fall under RCW 43.88.180 and shall not require
38 appropriation. The office of financial management shall determine the
39 amounts due to or from the federal government pursuant to the cash

1 management improvement act. The office of financial management may
2 direct transfers of funds between accounts as deemed necessary to
3 implement the provisions of the cash management improvement act, and
4 this subsection. Refunds or allocations shall occur prior to the
5 distributions of earnings set forth in subsection (4) of this
6 section.

7 (3) Except for the provisions of RCW 43.84.160, the treasury
8 income account may be utilized for the payment of purchased banking
9 services on behalf of treasury funds including, but not limited to,
10 depository, safekeeping, and disbursement functions for the state
11 treasury and affected state agencies. The treasury income account is
12 subject in all respects to chapter 43.88 RCW, but no appropriation is
13 required for payments to financial institutions. Payments shall occur
14 prior to distribution of earnings set forth in subsection (4) of this
15 section.

16 (4) Monthly, the state treasurer shall distribute the earnings
17 credited to the treasury income account. The state treasurer shall
18 credit the general fund with all the earnings credited to the
19 treasury income account except:

20 (a) The following accounts and funds shall receive their
21 proportionate share of earnings based upon each account's and fund's
22 average daily balance for the period: The aeronautics account, the
23 aircraft search and rescue account, the Alaskan Way viaduct
24 replacement project account, the ambulance transport fund, the
25 brownfield redevelopment trust fund account, the budget stabilization
26 account, the capital vessel replacement account, the capitol building
27 construction account, the Cedar River channel construction and
28 operation account, the Central Washington University capital projects
29 account, the charitable, educational, penal and reformatory
30 institutions account, the Chehalis basin account, the cleanup
31 settlement account, the Columbia river basin water supply development
32 account, the Columbia river basin taxable bond water supply
33 development account, the Columbia river basin water supply revenue
34 recovery account, the common school construction fund, the community
35 forest trust account, the connecting Washington account, the county
36 arterial preservation account, the county criminal justice assistance
37 account, the deferred compensation administrative account, the
38 deferred compensation principal account, the department of licensing
39 services account, the department of retirement systems expense
40 account, the developmental disabilities community trust account, the

1 diesel idle reduction account, the drinking water assistance account,
2 the drinking water assistance administrative account, the early
3 learning facilities development account, the early learning
4 facilities revolving account, the Eastern Washington University
5 capital projects account, the Interstate 405 express toll lanes
6 operations account, the education construction fund, the education
7 legacy trust account, the election account, the electric vehicle
8 charging infrastructure account, the energy freedom account, the
9 energy recovery act account, the essential rail assistance account,
10 The Evergreen State College capital projects account, the federal
11 forest revolving account, the ferry bond retirement fund, the freight
12 mobility investment account, the freight mobility multimodal account,
13 the grade crossing protective fund, the public health services
14 account, (~~the high capacity transportation account,~~) the state
15 higher education construction account, the higher education
16 construction account, the highway bond retirement fund, the highway
17 infrastructure account, the highway safety fund, the high occupancy
18 toll lanes operations account, the hospital safety net assessment
19 fund, the industrial insurance premium refund account, the judges'
20 retirement account, the judicial retirement administrative account,
21 the judicial retirement principal account, the local leasehold excise
22 tax account, the local real estate excise tax account, the local
23 sales and use tax account, the marine resources stewardship trust
24 account, the medical aid account, the mobile home park relocation
25 fund, the money-purchase retirement savings administrative account,
26 the money-purchase retirement savings principal account, the motor
27 vehicle fund, the motorcycle safety education account, the multimodal
28 transportation account, the multiuse roadway safety account, the
29 municipal criminal justice assistance account, the natural resources
30 deposit account, the oyster reserve land account, the pension funding
31 stabilization account, the perpetual surveillance and maintenance
32 account, the pollution liability insurance agency underground storage
33 tank revolving account, the public employees' retirement system plan
34 1 account, the public employees' retirement system combined plan 2
35 and plan 3 account, the public facilities construction loan revolving
36 account beginning July 1, 2004, the public health supplemental
37 account, the public works assistance account, the Puget Sound capital
38 construction account, the Puget Sound ferry operations account, the
39 Puget Sound taxpayer accountability account, the real estate
40 appraiser commission account, the recreational vehicle account, the

1 regional mobility grant program account, the resource management cost
2 account, the rural arterial trust account, the rural mobility grant
3 program account, the rural Washington loan fund, the sexual assault
4 prevention and response account, the site closure account, the
5 skilled nursing facility safety net trust fund, the small city
6 pavement and sidewalk account, the special category C account, the
7 special wildlife account, the state employees' insurance account, the
8 state employees' insurance reserve account, the state investment
9 board expense account, the state investment board commingled trust
10 fund accounts, the state patrol highway account, the state route
11 number 520 civil penalties account, the state route number 520
12 corridor account, the state wildlife account, the supplemental
13 pension account, the Tacoma Narrows toll bridge account, the
14 teachers' retirement system plan 1 account, the teachers' retirement
15 system combined plan 2 and plan 3 account, the tobacco prevention and
16 control account, the tobacco settlement account, the toll facility
17 bond retirement account, the transportation 2003 account (nickel
18 account), the transportation equipment fund, the transportation
19 future funding program account, the transportation improvement
20 account, the transportation improvement board bond retirement
21 account, the transportation infrastructure account, the
22 transportation partnership account, the traumatic brain injury
23 account, the tuition recovery trust fund, the University of
24 Washington bond retirement fund, the University of Washington
25 building account, the volunteer firefighters' and reserve officers'
26 relief and pension principal fund, the volunteer firefighters' and
27 reserve officers' administrative fund, the Washington judicial
28 retirement system account, the Washington law enforcement officers'
29 and firefighters' system plan 1 retirement account, the Washington
30 law enforcement officers' and firefighters' system plan 2 retirement
31 account, the Washington public safety employees' plan 2 retirement
32 account, the Washington school employees' retirement system combined
33 plan 2 and 3 account, the Washington state health insurance pool
34 account, the Washington state patrol retirement account, the
35 Washington State University building account, the Washington State
36 University bond retirement fund, the water pollution control
37 revolving administration account, the water pollution control
38 revolving fund, the Western Washington University capital projects
39 account, the Yakima integrated plan implementation account, the
40 Yakima integrated plan implementation revenue recovery account, and

1 the Yakima integrated plan implementation taxable bond account.
2 Earnings derived from investing balances of the agricultural
3 permanent fund, the normal school permanent fund, the permanent
4 common school fund, the scientific permanent fund, the state
5 university permanent fund, and the state reclamation revolving
6 account shall be allocated to their respective beneficiary accounts.

7 (b) Any state agency that has independent authority over accounts
8 or funds not statutorily required to be held in the state treasury
9 that deposits funds into a fund or account in the state treasury
10 pursuant to an agreement with the office of the state treasurer shall
11 receive its proportionate share of earnings based upon each account's
12 or fund's average daily balance for the period.

13 (5) In conformance with Article II, section 37 of the state
14 Constitution, no treasury accounts or funds shall be allocated
15 earnings without the specific affirmative directive of this section.

16 NEW SECTION. **Sec. 12.** Sections 1 through 10 of this act
17 constitute a new chapter in Title 74 RCW.

18 NEW SECTION. **Sec. 13.** This act is necessary for the immediate
19 preservation of the public peace, health, or safety, or support of
20 the state government and its existing public institutions, and takes
21 effect immediately.

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