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**SUBSTITUTE SENATE BILL 6051**

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**State of Washington**

**54th Legislature**

**1995 Regular Session**

**By** Senate Committee on Ways & Means (originally sponsored by Senators Rinehart, West and Winsley; by request of Department of Social and Health Services)

Read first time 03/06/95.

1 AN ACT Relating to affirming and clarifying the legislative  
2 authority to treat nonmedicaid therapy costs as unallowable, insuring  
3 that for medical care recipients, only therapy costs, that are not  
4 covered by other payers, may be reimbursed in the per patient day rate;  
5 amending RCW 74.46.190; and declaring an emergency.

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

7 **Sec. 1.** RCW 74.46.190 and 1983 1st ex.s. c 67 s 12 are each  
8 amended to read as follows:

9 (1) The substance of a transaction will prevail over its form.

10 (2) All documented costs which are ordinary, necessary, related to  
11 care of medical care recipients, and not expressly unallowable, are to  
12 be allowable. Costs of providing ancillary care are allowable, subject  
13 to any applicable cost center limit contained in this chapter, provided  
14 documentation establishes the costs were incurred for medical care  
15 recipients and other sources of payment to which recipients may be  
16 legally entitled, such as private insurance or medicare, were first  
17 fully utilized.

18 (3) Costs applicable to services, facilities, and supplies  
19 furnished to the provider by related organizations are allowable but at

1 the cost to the related organization, provided they do not exceed the  
2 price of comparable services, facilities, or supplies that could be  
3 purchased elsewhere.

4 (4) Beginning January 1, 1985, the payment for property usage is to  
5 be independent of ownership structure and financing arrangements.

6 NEW SECTION. **Sec. 2.** This act is necessary for the immediate  
7 preservation of the public peace, health, or safety, or support of the  
8 state government and its existing public institutions, and shall take  
9 effect immediately.

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