
Health Care & Wellness Committee

HB 2673

Brief Description: Concerning insurance coverage of the sales tax for prescribed durable medical equipment and mobility enhancing equipment.

Sponsors: Representatives Williams, Liias, Chase, Cody, Green, Hasegawa, Jacks, Dunshee, Ericks, Kenney, Simpson, Moeller, Campbell and Morrell.

Brief Summary of Bill

- Requires inclusion of the sales tax or use tax calculation in the plan payment on medical insurance plans issued on or after July 1, 2010, that include coverage for prescribed durable medical equipment and mobility enhancing equipment.

Hearing Date: 1/21/10

Staff: Dave Knutson (786-7146).

Background:

Durable medical equipment includes a variety of devices, such as: blood glucose monitors, canes, home oxygen equipment, hospital beds, walkers, and wheelchairs. Health coverage typically includes coverage for these types of prescribed devices, and a common benefit design would cover 80 percent of the cost of the device, with the remaining 20 percent to be paid by the patient. Some health carriers include the cost of the state sales tax with their plan payment to the vendor, but many others do not. In such a case, the responsibility to pay the sales tax falls on the patient or on the vendor providing the device. Some devices are quite expensive and the patient charge for their portion of the payment plus an additional charge for sales tax on the total item price can be prohibitive.

Summary of Bill:

The sales tax or use tax calculation must be included in the plan payment for medical insurance plans issued on or after July 1, 2010, that include coverage for prescribed durable equipment and

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mobility enhancing equipment. The payment must separately identify the amount of the tax from the payment for the equipment. The tax calculation must be consistent with the sales tax requirements established in RCW 82.08 and the use tax requirements in RCW 82.12.

The definitions for durable medical equipment and mobility enhancing equipment are consistent with the definitions provided in RCW 82.08 and 82.12. Durable medical equipment includes equipment that can withstand repeated use, is primarily and customarily used to serve a medical purpose, generally is not useful to a person in the absence of illness or injury, and is not worn in or on the body. Mobility enhancing equipment includes equipment that is primarily and customarily used to provide or increase the ability to move from one place to another and is appropriate for use in a home or a motor vehicle, is not generally used by persons with normal mobility, and does not include any motor vehicle or equipment on a motor vehicle normally provided by a motor vehicle manufacturer.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.