

**EIGHTH DAY**

---

MORNING SESSION

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Senate Chamber, Olympia, Tuesday, May 3, 2011

The Senate was called to order at 10:00 a.m. by President Owen. The Secretary called the roll and announced to the President that all Senators were present with the exception of Senators Benton, Brown, Ericksen, Holmquist Newbry, Kline, Pflug, Prentice and Ranker.

The Sergeant at Arms Color Guard consisting of Lt. Governor's staff, Brian Dirks and Brent Pendleton, presented the Colors. Senator Morton offered the prayer.

MOTION

On motion of Senator Eide, the reading of the Journal of the previous day was dispensed with and it was approved.

MOTION

On motion of Senator Eide, the Senate advanced to the fifth order of business.

INTRODUCTION AND FIRST READING

SB 5954 by Senators Carrell and Hill

AN ACT Relating to placing certain synthetic cannabimimetics into schedule I of the uniform controlled substances act; amending RCW 69.50.204; creating a new section; and declaring an emergency.

Referred to Committee on Judiciary.

MOTION

On motion of Senator Eide, the measure listed on the Introduction and First Reading report was referred to the committee as designated.

MOTION

On motion of Senator Eide, the Senate advanced to the sixth order of business.

SECOND READING  
CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Conway moved that Gubernatorial Appointment No. 9075, Thomas McLane, as a member of the Public Employment Relations Commission, be confirmed.

Senator Conway spoke in favor of the motion.

MOTION

On motion of Senator Delvin, Senators Benton, Ericksen and Pflug were excused.

MOTION

On motion of Senator White, Senators Brown, Holmquist Newbry, Prentice and Ranker were excused.

APPOINTMENT OF THOMAS MCLANE

The President declared the question before the Senate to be the confirmation of Gubernatorial Appointment No. 9075, Thomas McLane as a member of the Public Employment Relations Commission.

The Secretary called the roll on the confirmation of Gubernatorial Appointment No. 9075, Thomas McLane as a member of the Public Employment Relations Commission and the appointment was confirmed by the following vote: Yeas, 41; Nays, 0; Absent, 1; Excused, 7.

Voting yea: Senators Baumgartner, Baxter, Becker, Carrell, Chase, Conway, Delvin, Eide, Fain, Fraser, Hargrove, Harper, Hatfield, Haugen, Hewitt, Hill, Hobbs, Honeyford, Kastama, Keiser, Kilmer, King, Kohl-Welles, Litzow, McAuliffe, Morton, Murray, Nelson, Parlette, Pridemore, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker, Tom, White and Zarelli

Absent: Senator Kline

Excused: Senators Benton, Brown, Ericksen, Holmquist Newbry, Pflug, Prentice and Ranker

Gubernatorial Appointment No. 9075, Thomas McLane, having received the constitutional majority was declared confirmed as a member of the Public Employment Relations Commission.

SECOND READING  
CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Kohl-Welles moved that Gubernatorial Appointment No. 9117, Paul Trause, as Commissioner of the Employment Security Department, be confirmed.

Senator Kohl-Welles spoke in favor of the motion.

MOTION

On motion of Senator White, Senator Kline was excused.

APPOINTMENT OF PAUL TRAUSE

The President declared the question before the Senate to be the confirmation of Gubernatorial Appointment No. 9117, Paul Trause as Commissioner of the Employment Security Department.

The Secretary called the roll on the confirmation of Gubernatorial Appointment No. 9117, Paul Trause as Commissioner of the Employment Security Department and the appointment was confirmed by the following vote: Yeas, 39; Nays, 2; Absent, 0; Excused, 8.

Voting yea: Senators Baumgartner, Baxter, Becker, Carrell, Chase, Conway, Delvin, Eide, Fain, Fraser, Hargrove, Harper, Hatfield, Haugen, Hill, Hobbs, Honeyford, Kastama, Keiser, Kilmer, King, Kohl-Welles, Litzow, McAuliffe, Morton, Murray, Nelson, Parlette, Pridemore, Regala, Roach, Rockefeller, Sheldon, Shin, Stevens, Swecker, Tom, White and Zarelli

Voting nay: Senators Hewitt and Schoesler

Excused: Senators Benton, Brown, Ericksen, Holmquist Newbry, Kline, Pflug, Prentice and Ranker

Gubernatorial Appointment No. 9117, Paul Trause, having received the constitutional majority was declared confirmed as Commissioner of the Employment Security Department.

SECOND READING  
CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Hewitt moved that Gubernatorial Appointment No. 9105, Kathy Small, as a member of the Board of Trustees, Walla Walla Community College District No. 20, be confirmed.

Senator Hewitt spoke in favor of the motion.

APPOINTMENT OF KATHY SMALL

The President declared the question before the Senate to be the confirmation of Gubernatorial Appointment No. 9105, Kathy Small as a member of the Board of Trustees, Walla Walla Community College District No. 20.

The Secretary called the roll on the confirmation of Gubernatorial Appointment No. 9105, Kathy Small as a member of the Board of Trustees, Walla Walla Community College District No. 20 and the appointment was confirmed by the following vote: Yeas, 43; Nays, 0; Absent, 0; Excused, 6.

Voting yea: Senators Baumgartner, Baxter, Becker, Carrell, Chase, Conway, Delvin, Eide, Fain, Fraser, Hargrove, Harper, Hatfield, Haugen, Hewitt, Hill, Hobbs, Holmquist Newbry, Honeyford, Kastama, Keiser, Kilmer, King, Kline, Kohl-Welles, Litzow, McAuliffe, Morton, Murray, Nelson, Parlette, Pridemore, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker, Tom, White and Zarelli

Excused: Senators Benton, Brown, Ericksen, Pflug, Prentice and Ranker

Gubernatorial Appointment No. 9105, Kathy Small, having received the constitutional majority was declared confirmed as a member of the Board of Trustees, Walla Walla Community College District No. 20.

MOTION

On motion of Senator Delvin, Senator Roach was excused.

MOTION

At 10:30 a.m., on motion of Senator Eide, the Senate was declared to be at ease subject to the call of the President.

The Senate was called to order at 11:47 a.m. by President Owen.

MOTION

On motion of Senator Eide, the Senate reverted to the fourth order of business.

MESSAGE FROM THE HOUSE

May 2, 2011

MR. PRESIDENT:

The House has passed:

ENGROSSED SUBSTITUTE HOUSE BILL 1277,

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1371,

SECOND ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1738,

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1965,

ENGROSSED SUBSTITUTE HOUSE BILL 1981.

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

May 2, 2011

MR. PRESIDENT:

The House has passed:

SUBSTITUTE HOUSE BILL 1632,

SUBSTITUTE HOUSE BILL 1815,

HOUSE BILL 2070.

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

On motion of Senator Eide, the Senate advanced to the fifth order of business.

SUPPLEMENTAL INTRODUCTION AND FIRST READING  
OF HOUSE BILLS

ESHB 1277 by House Committee on Ways & Means  
(originally sponsored by Representative Cody)

AN ACT Relating to oversight of licensed or certified long-term care settings for vulnerable adults; amending RCW 70.128.005, 70.128.050, 70.128.065, 70.128.070, 70.128.120, 70.128.130, 70.128.140, 70.128.160, 70.128.220, 70.129.040, 70.128.125, 18.20.180, 18.51.050, 18.20.050, and 70.128.060; adding new sections to chapter 74.39A RCW; creating new sections; repealing RCW 70.128.175; prescribing penalties; providing an effective date; and declaring an emergency.

Referred to Committee on Ways & Means.

E2SHB 1371 by House Committee on Ways & Means  
(originally sponsored by Representatives Darneille and Hunt)

AN ACT Relating to boards and commissions; amending RCW 72.23.025, 74.39A.095, 74.39A.220, 74.39A.240, 74.39A.250, 74.39A.260, 43.105.340, 67.16.012, 77.12.670, 77.12.690, 77.08.045, 77.12.850, 18.106.110, 49.04.010, 36.93.051, 15.92.090, 43.160.030, 70.94.537, 38.52.040, 70.168.020, 67.17.050, 41.60.015, 43.20A.685, 79A.30.030, 28A.300.136, 43.34.080, 72.09.070, 72.09.090, 72.09.100, 72.09.015, 72.62.020, 72.09.080, 43.31.425, 43.31.422, 18.280.040, 18.140.230, 18.44.221, 18.44.251, 18.44.195, 18.44.510, 18.44.500, 16.57.015, 16.57.353, 43.03.220, 43.03.230, 43.03.240, 43.03.250, 43.03.265, 43.03.050, and 43.03.060; reenacting and amending RCW 74.39A.270, 41.56.030, 18.44.011, and 28A.290.010; adding a new section to chapter 28A.300 RCW; adding a new section to chapter 39.29 RCW; adding a new section to chapter 43.03 RCW; decodifying RCW 74.39A.290; repealing RCW

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79A.25.220, 70.127.041, 74.39A.230, 74.39A.280, 77.12.680, 28B.10.922, and 77.12.856; providing an effective date; and declaring an emergency.

E2SHB 1965 by House Committee on Ways & Means (originally sponsored by Representatives Kagi, Jinkins, Frockt and Kenney)

Referred to Committee on Ways & Means.

AN ACT Relating to public and private partnership in addressing adverse childhood experiences; amending RCW 13.40.462, 43.121.100, 43.215.146, 43.215.147, 43.70.555, 74.14A.060, and 70.190.040; adding a new section to chapter 28A.300 RCW; adding a new chapter to Title 70 RCW; creating a new section; recodifying RCW 70.190.040; repealing RCW 43.121.010, 43.121.015, 43.121.020, 43.121.030, 43.121.040, 43.121.050, 43.121.060, 43.121.070, 43.121.080, 43.121.110, 43.121.120, 43.121.130, 43.121.140, 43.121.150, 43.121.160, 43.121.185, 43.121.910, 70.190.005, 70.190.010, 70.190.020, 70.190.100, 70.190.110, 70.190.120, 70.190.130, 70.190.150, 70.190.920, and 74.14C.050; and providing effective dates.

SHB 1632 by House Committee on Public Safety & Emergency Preparedness (originally sponsored by Representatives Hope, Hurst and Armstrong)

AN ACT Relating to the cost of supervision; amending RCW 9.94A.780, 9.95.214, 72.04A.120, 72.11.040, and 9.94A.74504; providing an effective date; and declaring an emergency.

Referred to Committee on Ways & Means.

2E2SHB 1738 by House Committee on Ways & Means (originally sponsored by Representatives Cody and Jinkins)

AN ACT Relating to changing the designation of the medicaid single state agency from the department of social and health services to the health care authority and transferring the related powers, functions, and duties to the health care authority; amending RCW 74.09.037, 74.09.050, 74.09.055, 74.09.075, 74.09.080, 74.09.120, 74.09.160, 74.09.180, 74.09.185, 74.09.190, 74.09.200, 74.09.210, 74.09.240, 74.09.260, 74.09.280, 74.09.290, 74.09.300, 74.09.470, 74.09.480, 74.09.490, 74.09.500, 74.09.510, 74.09.515, 74.09.520, 74.09.521, 74.09.5222, 74.09.5225, 74.09.530, 74.09.540, 74.09.555, 74.09.565, 74.09.575, 74.09.585, 74.09.595, 74.09.655, 74.09.658, 74.09.659, 74.09.700, 74.09.710, 74.09.715, 74.09.720, 74.09.725, 74.09.730, 74.09.770, 74.09.790, 74.09.800, 74.09.810, 74.09.820, 41.05.011, 41.05.015, 41.05.021, 41.05.036, 41.05.037, 41.05.140, 43.20A.365, 74.04.005, 74.04.015, 74.04.025, 74.04.050, 74.04.055, 74.04.060, 74.04.062, 74.04.290, 7.68.080, 43.41.160, 43.41.260, 43.70.670, 47.06B.020, 47.06B.060, 47.06B.070, 48.01.235, 48.43.008, 48.43.517, 69.41.030, 69.41.190, 70.01.010, 70.47.010, 70.47.020, 70.47.110, 70.48.130, 70.168.040, 70.225.040, 74.09A.005, 74.09A.010, 74.09A.020, 74.09A.030, and 74.09.015; reenacting and amending RCW 74.09.010, 74.09.035, and 74.09.522; adding new sections to chapter 74.09 RCW; adding a new section to chapter 43.20A RCW; adding a new chapter to Title 41 RCW; creating new sections; recodifying RCW 43.20A.365; repealing RCW 74.09.085, 74.09.110, 74.09.5221, 74.09.5227, 74.09.755, 43.20A.860, and 74.04.270; providing an effective date; providing an expiration date; and declaring an emergency.

ESHB 1981 by House Committee on Ways & Means (originally sponsored by Representatives Bailey and Carlyle)

AN ACT Relating to public employee postretirement employment and higher education employees' annuities and retirement income plans; amending RCW 28B.10.400, 28B.10.405, 28B.10.410, 28B.10.415, 28B.10.417, 28B.10.423, 28B.10.430, 41.32.570, 41.32.800, 41.32.802, 41.32.860, 41.32.862, 41.35.060, 41.35.230, 41.37.050, 41.40.037, 41.50.030, 41.50.080, and 41.50.110; adding a new section to chapter 41.32 RCW; adding a new section to chapter 41.40 RCW; creating a new section; providing effective dates; and declaring an emergency.

Referred to Committee on Ways & Means.

Referred to Committee on Ways & Means.

SHB 1815 by House Committee on Education Appropriations & Oversight (originally sponsored by Representatives Sullivan, Anderson, Haigh, Dammeier, Parker, Maxwell, Reykdal and Santos)

AN ACT Relating to preserving the school district levy base; reenacting and amending RCW 84.52.0531; creating a new section; providing an effective date; and providing an expiration date.

HB 2070 by Representative Sequist

AN ACT Relating to determining average salary for the pension purposes of state and local government employees as certified by their employer; amending RCW 41.26.030, 41.35.010, and 43.43.120; reenacting and amending RCW 41.32.010, 41.37.010, and 41.40.010; providing an effective date; and declaring an emergency.

Referred to Committee on Ways & Means.

MOTION

On motion of Senator Eide, all measures listed on the Supplemental Introduction and First Reading report were referred to the committees as designated.

MOTION

On motion of Senator Eide, the Senate advanced to the sixth order of business.

MOTION

On motion of Senator Delvin, Senator Hewitt was excused.

Referred to Committee on Ways & Means.

MOTION

On motion of Senator Ericksen, Senator Swecker was excused.

## SECOND READING

SENATE BILL NO. 5182, by Senators White, Tom, Hill, Zarelli, Murray, Ericksen, Prentice, Hobbs and Nelson

Establishing the office of student financial assistance by eliminating the higher education coordinating board and transferring its functions to various entities.

## MOTION

On motion of Senator White, Second Substitute Senate Bill No. 5182 was substituted for Senate Bill No. 5182 and the second substitute bill was placed on the second reading and read the second time.

## MOTION

Senator White moved that the following amendment by Senator White be adopted:

Beginning on page 68, line 4, strike all of section 181 and insert the following:

"**Sec. 181.** RCW 28B.102.060 and 2011 c 26 s 4 are each amended to read as follows:

(1) Participants in the conditional scholarship program incur an obligation to repay the conditional scholarship, with interest and an equalization fee, unless they teach for two years in an approved education program for each year of scholarship received, under rules adopted by the ~~((board))~~ office. Participants who teach in a designated teacher shortage area shall have one year of loan canceled for each year they teach in the shortage area.

(2) The interest rate shall be determined by the ~~((board))~~ office. Participants who fail to complete the teaching service shall incur an equalization fee based on the remaining unforgiven balance of the loan. The equalization fee shall be added to the remaining balance and repaid by the participant.

(3) The minimum payment shall be set by the ~~((board))~~ office. The maximum period for repayment shall be ten years, with payments of principal and interest commencing six months from the date the participant completes or discontinues the course of study. The interest rate shall be determined by the ~~((board))~~ office and be established by rule. Provisions for deferral of payment shall be determined by the ~~((board))~~ office. The ~~((board))~~ office shall establish an appeal process by rule.

(4) The entire principal and interest of each payment shall be forgiven for each payment period in which the participant teaches in an approved education program until the entire repayment obligation is satisfied. Should the participant cease to teach in an approved education program in this state before the participant's repayment obligation is completed, payments on the unsatisfied portion of the principal and interest shall begin the next payment period and continue until the remainder of the participant's repayment obligation is satisfied.

(5) The ~~((board))~~ office is responsible for collection of repayments made under this section and shall exercise due diligence in such collection, maintaining all necessary records to insure that maximum repayments are made. Collection and servicing of repayments under this section shall be pursued using the full extent of the law, including wage garnishment if necessary. The ~~((board))~~ office is responsible to forgive all or parts of such repayments under the criteria established in this section and shall maintain all necessary records of forgiven payments.

(6) Receipts from the payment of principal or interest or any other subsidies to which the ~~((board))~~ office as administrator is entitled, which are paid by or on behalf of participants under this section, shall be deposited in the future teachers conditional scholarship account and shall be used to cover the costs of granting the conditional scholarships, maintaining necessary records, and making collections under subsection (5) of this section. The ~~((board))~~ office shall maintain accurate records of these costs, and all receipts beyond those necessary to pay such costs shall be used to grant conditional scholarships to eligible students.

(7) The ~~((board))~~ office shall adopt rules to define the terms of repayment, including applicable interest rates, fees, and deferments.

Beginning on page 79, line 15, strike all of section 203 and insert the following:

"**Sec. 203.** RCW 28B.115.020 and 2011 c 26 s 1 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) ~~(("Board"))~~ "Office" means the ~~((higher—education coordinating board))~~ office of student financial assistance.

(2) "Department" means the state department of health.

(3) "Eligible education and training programs" means education and training programs approved by the department that lead to eligibility for a credential as a credentialed health care professional.

(4) "Eligible expenses" means reasonable expenses associated with the costs of acquiring an education such as tuition, books, equipment, fees, room and board, and other expenses determined by the ~~((board))~~ office.

(5) "Eligible student" means a student who has been accepted into an eligible education or training program and has a declared intention to serve in a health professional shortage area upon completion of the education or training program.

(6) "Forgiven" or "to forgive" or "forgiveness" means to render health care services in a health professional shortage area in the state of Washington in lieu of monetary repayment.

(7) "Health professional shortage areas" means those areas where credentialed health care professionals are in short supply as a result of geographic maldistribution or as the result of a short supply of credentialed health care professionals in specialty health care areas and where vacancies exist in serious numbers that jeopardize patient care and pose a threat to the public health and safety. The department shall determine health professional shortage areas as provided for in RCW 28B.115.070. In making health professional shortage area designations in the state the department may be guided by applicable federal standards for "health manpower shortage areas," and "medically underserved areas," and "medically underserved populations."

(8) "Credentialed health care profession" means a health care profession regulated by a disciplining authority in the state of Washington under RCW 18.130.040 or by the state board of pharmacy under chapter 18.64 RCW and designated by the department in RCW 28B.115.070 as a profession having shortages of credentialed health care professionals in the state.

(9) "Credentialed health care professional" means a person regulated by a disciplining authority in the state of Washington to practice a health care profession under RCW 18.130.040 or by the state board of pharmacy under chapter 18.64 RCW.

(10) "Loan repayment" means a loan that is paid in full or in part if the participant renders health care services in a health professional shortage area as defined by the department.

(11) "Nonshortage rural area" means a nonurban area of the state of Washington that has not been designated as a rural physician shortage area. The department shall identify the nonshortage rural areas of the state.

(12) "Participant" means a credentialed health care professional who has received a loan repayment award and has commenced

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practice as a credentialed health care provider in a designated health professional shortage area or an eligible student who has received a scholarship under this program.

(13) "Program" means the health professional loan repayment and scholarship program.

(14) "Required service obligation" means an obligation by the participant to provide health care services in a health professional shortage area for a period to be established as provided for in this chapter.

(15) "Rural physician shortage area" means rural geographic areas where primary care physicians are in short supply as a result of geographic maldistributions and where their limited numbers jeopardize patient care and pose a threat to public health and safety. The department shall designate rural physician shortage areas.

(16) "Satisfied" means paid-in-full.

(17) "Scholarship" means a loan that is forgiven in whole or in part if the recipient renders health care services in a health professional shortage area.

(18) "Sponsoring community" means a rural hospital or hospitals as authorized in chapter 70.41 RCW, a rural health care facility or facilities as authorized in chapter 70.175 RCW, or a city or county government or governments.

Beginning on page 84, line 31, strike all of sections 209 and 210 and insert the following:

"Sec. 209. RCW 28B.115.110 and 2011 c 26 s 2 are each amended to read as follows:

Participants in the health professional loan repayment and scholarship program who are awarded loan repayments shall receive payment from the program for the purpose of repaying educational loans secured while attending a program of health professional training which led to a credential as a credentialed health professional in the state of Washington.

(1) Participants shall agree to meet the required service obligation in a designated health professional shortage area.

(2) Repayment shall be limited to eligible educational and living expenses as determined by the ((board)) office and shall include principal and interest.

(3) Loans from both government and private sources may be repaid by the program. Participants shall agree to allow the ((board)) office access to loan records and to acquire information from lenders necessary to verify eligibility and to determine payments. Loans may not be renegotiated with lenders to accelerate repayment.

(4) Repayment of loans established pursuant to this program shall begin no later than ninety days after the individual has become a participant. Payments shall be made quarterly, or more frequently if deemed appropriate by the ((board)) office, to the participant until the loan is repaid or the participant becomes ineligible due to discontinued service in a health professional shortage area or after the required service obligation when eligibility discontinues, whichever comes first.

(5) Should the participant discontinue service in a health professional shortage area, payments against the loans of the participants shall cease to be effective on the date that the participant discontinues service.

(6) Except for circumstances beyond their control, participants who serve less than the required service obligation shall be obligated to repay to the program an amount equal to twice the total amount paid by the program on their behalf. This amount is due and payable immediately. Participants who are unable to pay the full amount due shall enter into a payment arrangement with the ((board)) office, including an arrangement for payment of interest. The maximum period for repayment is ten years. The ((board)) office shall determine the applicability of this subsection. The

interest rate shall be determined by the ((board)) office and be established by rule.

(7) The ((board)) office is responsible for the collection of payments made on behalf of participants from the participants who discontinue service before completion of the required service obligation. The ((board)) office shall exercise due diligence in such collection, maintaining all necessary records to ensure that the maximum amount of payment made on behalf of the participant is recovered. Collection under this section shall be pursued using the full extent of the law, including wage garnishment if necessary.

(8) The ((board)) office shall not be held responsible for any outstanding payments on principal and interest to any lenders once a participant's eligibility expires.

(9) The ((board)) office shall temporarily or, in special circumstances, permanently defer the requirements of this section for eligible students as defined in RCW 28B.10.017.

(10) The ((board)) office shall establish an appeal process by rule.

**Sec. 210.** RCW 28B.115.120 and 2011 c 26 s 3 are each amended to read as follows:

(1) Participants in the health professional loan repayment and scholarship program who are awarded scholarships incur an obligation to repay the scholarship, with penalty and interest, unless they serve the required service obligation in a health professional shortage area in the state of Washington.

(2) The interest rate shall be determined by the ((board)) office and established by rule.

(3) The period for repayment shall coincide with the required service obligation, with payments of principal and interest commencing no later than six months from the date the participant completes or discontinues the course of study or completes or discontinues the required postgraduate training. Provisions for deferral of payment shall be determined by the ((board)) office.

(4) The entire principal and interest of each payment shall be forgiven for each payment period in which the participant serves in a health professional shortage area until the entire repayment obligation is satisfied or the borrower ceases to so serve. Should the participant cease to serve in a health professional shortage area of this state before the participant's repayment obligation is completed, payment of the unsatisfied portion of the principal and interest is due and payable immediately.

(5) In addition to the amount determined in subsection (4) of this section, except for circumstances beyond their control, participants who serve less than the required service obligation shall be obliged to pay a penalty of an amount equal to twice the unsatisfied portion of the principal.

(6) Participants who are unable to pay the full amount due shall enter into a payment arrangement with the ((board)) office for repayment including interest. The maximum period for repayment is ten years.

(7) The ((board)) office is responsible for collection of repayments made under this section and shall exercise due diligence in such collection, maintaining all necessary records to ensure that maximum repayments are made. Collection and servicing of repayments under this section shall be pursued using the full extent of the law, including wage garnishment if necessary, and shall be performed by entities approved for such servicing by the Washington student loan guaranty association or its successor agency. The ((board)) office is responsible to forgive all or parts of such repayments under the criteria established in this section and shall maintain all necessary records of forgiven payments.

(8) Receipts from the payment of principal or interest or any other subsidies to which the ((board)) office as administrator is entitled, which are paid by or on behalf of participants under this section, shall be deposited with the ((board)) office and shall be used

to cover the costs of granting the scholarships, maintaining necessary records, and making collections under subsection (7) of this section. The ~~((board))~~ office shall maintain accurate records of these costs, and all receipts beyond those necessary to pay such costs shall be used to grant scholarships to eligible students.

(9) Sponsoring communities who financially contribute to the eligible financial expenses of eligible medical students may enter into agreements with the student to require repayment should the student not serve the required service obligation in the community as a primary care physician. The ~~((board))~~ office may develop criteria for the content of such agreements with respect to reasonable provisions and obligations between communities and eligible students.

(10) The ~~((board))~~ office may make exceptions to the conditions for participation and repayment obligations should circumstances beyond the control of individual participants warrant such exceptions. The ~~((board))~~ office shall establish an appeal process by rule.

On page 108, beginning on line 9, strike all of section 239 and insert the following:

**"Sec. 239.** RCW 28B.133.030 and 2011 c 60 s 12 are each amended to read as follows:

(1) The students with dependents grant account is created in the custody of the state treasurer. All receipts from the program shall be deposited into the account. Only the ~~((higher education coordinating board))~~ office of student financial assistance, or its designee, may authorize expenditures from the account. Disbursements from the account are exempt from appropriations and the allotment procedures under chapter 43.88 RCW.

(2) The ~~((board))~~ office may solicit and receive gifts, grants, or endowments from private sources that are made from time to time, in trust or otherwise, for the use and benefit of the purposes of the educational assistance grant program. The ~~((executive))~~ director, or the ~~((executive))~~ director's designee, may spend gifts, grants, or endowments or income from the private sources according to their terms unless the receipt of the gifts, grants, or endowments violates RCW 42.17A.560.

(3) The earnings on the account shall be used solely for the purposes in RCW 28B.133.010, except when the terms of a conditional gift of private moneys in the account require that a portion of earnings on such moneys be reinvested in the account.

On page 121, line 20, after "3;" insert "and"

On page 121, beginning on line 22, after "2" strike all material through "19" on line 24

Beginning on page 175, line 6, strike all of section 402 and insert the following:

**"Sec. 402.** RCW 35.104.040 and 2011 c 155 s 1 are each amended to read as follows:

(1) The ~~((higher))~~ workforce training and education coordinating board may approve applications submitted by local governments for an area's designation as a health sciences and services authority under this chapter. The director must determine the division to review applications submitted by local governments under this chapter. The application for designation must be in the form and manner and contain such information as the ~~((higher))~~ workforce training and education coordinating board may prescribe, provided the application:

(a) Contains sufficient information to enable the director to determine the viability of the proposal;

(b) Demonstrates that an ordinance or resolution has been passed by the legislative authority of a local government that delineates the boundaries of an area that may be designated an authority;

(c) Is submitted on behalf of the local government, or, if that office does not exist, by the legislative body of the local government;

(d) Demonstrates that the public funds directed to programs or facilities in the authority will leverage private sector resources and contributions to activities to be performed;

(e) Provides a plan or plans for the development of the authority as an entity to advance as a cluster for health sciences education, health sciences research, biotechnology development, biotechnology product commercialization, and/or health care services; and

(f) Demonstrates that the state has previously provided funds to health sciences and services programs or facilities in the applicant city, town, or county.

(2) The director must determine the division to develop criteria to evaluate the application. The criteria must include:

(a) The presence of infrastructure capable of spurring development of the area as a center of health sciences and services;

(b) The presence of higher education facilities where undergraduate or graduate coursework or research is conducted; and

(c) The presence of facilities in which health services are provided.

(3) There may be no more than two authorities statewide.

(4) An authority may only be created in a county with a population of less than one million persons and located east of the crest of the Cascade mountains.

(5) The director may reject or approve an application. When denying an application, the director must specify the application's deficiencies. The decision regarding such designation as it relates to a specific local government is final; however, a rejected application may be resubmitted.

(6) Applications are due by December 31, 2010, and must be processed within sixty days of submission.

(7) The director may, at his or her discretion, amend the boundaries of an authority upon the request of the local government.

(8) The ~~((higher))~~ workforce training and education coordinating board may adopt any rules necessary to implement this chapter.

(9) The ~~((higher))~~ workforce training and education coordinating board must develop evaluation criteria that enables the local governments to measure the effectiveness of the program.

Beginning on page 226, line 7, strike all of section 543 and insert the following:

**"Sec. 543.** RCW 43.215.090 and 2011 c 177 s 2 are each amended to read as follows:

(1) The early learning advisory council is established to advise the department on statewide early learning issues that would build a comprehensive system of quality early learning programs and services for Washington's children and families by assessing needs and the availability of services, aligning resources, developing plans for data collection and professional development of early childhood educators, and establishing key performance measures.

(2) The council shall work in conjunction with the department to develop a statewide early learning plan that guides the department in promoting alignment of private and public sector actions, objectives, and resources, and ensuring school readiness.

(3) The council shall include diverse, statewide representation from public, nonprofit, and for-profit entities. Its membership shall reflect regional, racial, and cultural diversity to adequately represent the needs of all children and families in the state.

(4) Councilmembers shall serve two-year terms. However, to stagger the terms of the council, the initial appointments for twelve of the members shall be for one year. Once the initial one-year to two-year terms expire, all subsequent terms shall be for two years, with the terms expiring on June 30th of the applicable year. The terms shall be staggered in such a way that, where possible, the terms of members representing a specific group do not expire simultaneously.

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(5) The council shall consist of not more than twenty-three members, as follows:

(a) The governor shall appoint at least one representative from each of the following: The department, the office of financial management, the department of social and health services, the department of health, the council for higher education (~~(coordinating board)~~), and the state board for community and technical colleges;

(b) One representative from the office of the superintendent of public instruction, to be appointed by the superintendent of public instruction;

(c) The governor shall appoint seven leaders in early childhood education, with at least one representative with experience or expertise in one or more of the areas such as the following: The K-12 system, family day care providers, and child care centers with four of the seven governor's appointees made as follows:

(i) The head start state collaboration office director or the director's designee;

(ii) A representative of a head start, early head start, migrant/seasonal head start, or tribal head start program;

(iii) A representative of a local education agency; and

(iv) A representative of the state agency responsible for programs under section 619 or part C of the federal individuals with disabilities education act;

(d) Two members of the house of representatives, one from each caucus, and two members of the senate, one from each caucus, to be appointed by the speaker of the house of representatives and the president of the senate, respectively;

(e) Two parents, one of whom serves on the department's parent advisory group, to be appointed by the governor;

(f) One representative of the private-public partnership created in RCW 43.215.070, to be appointed by the partnership board;

(g) One representative designated by sovereign tribal governments; and

(h) One representative from the Washington federation of independent schools.

(6) The council shall be cochaired by one representative of a state agency and one nongovernmental member, to be elected by the council for two-year terms.

(7) The council shall appoint two members and stakeholders with expertise in early learning to sit on the technical working group created in section 2, chapter 234, Laws of 2010.

(8) Each member of the board shall be compensated in accordance with RCW 43.03.240 and reimbursed for travel expenses incurred in carrying out the duties of the board in accordance with RCW 43.03.050 and 43.03.060.

(9) The department shall provide staff support to the council."

On page 239, line 28, after "604," strike "Section 248 of this act takes" and insert "Sections 239 and 248 of this act take"

On page 240, line 3, after "for" strike "section 248" and insert "sections 239 and 248"

Senator White spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senator White on page 68, line 4 to Second Substitute Senate Bill No. 5182.

The motion by Senator White carried and the amendment was adopted by voice vote.

MOTION

There being no objection, the following title amendment was adopted:

On page 2, line 2 of the title, after "28B.115.090," insert "28B.115.110,"

On page 2, line 27 of the title, after "28B.92.030," strike "28B.115.110,"

On page 2, line 35 of the title, after "28B.76.530," strike "28B.115.060,"

MOTION

Senator White moved that the following amendment by Senators White, Tom and Hill be adopted:

On page 121, beginning on line 4, strike all of subsections (10), (11), and (12)

ReNUMBER the remaining subsections consecutively.

On page 132, after line 16, insert the following:

"Sec. 313. RCW 28B.76.240 and 2004 c 275 s 10 are each amended to read as follows:

The (~~board~~) council and the state board for community and technical colleges shall adopt statewide transfer and articulation policies that ensure efficient transfer of credits and courses across public two and four-year institutions of higher education. The intent of the policies is to create a statewide system of articulation and alignment between two and four-year institutions. Policies may address but are not limited to creation of a statewide system of course equivalency, creation of transfer associate degrees, statewide articulation agreements, applicability of technical courses toward baccalaureate degrees, and other issues. The institutions of higher education (~~and the state board for community and technical colleges~~) shall cooperate (~~(with the board)~~) in developing the statewide policies and shall provide support and staff resources as necessary to assist in maintaining the policies. (~~The board shall submit a progress report to the higher education committees of the senate and house of representatives by December 1, 2006, by which time the legislature expects measurable improvement in alignment and transfer efficiency.~~)

Sec. 314. RCW 28B.76.250 and 2004 c 55 s 2 are each amended to read as follows:

(1) The (~~higher education coordinating board~~) council and the state board for community and technical colleges must (~~convene work groups to~~) develop transfer associate degrees that will satisfy lower division requirements at public four-year institutions of higher education for specific academic majors. (~~Work groups must include representatives from the state board for community and technical colleges and the council of presidents, as well as faculty from two and four year institutions. Work groups may include representatives from independent four year institutions.~~)

(2) Each transfer associate degree developed under this section must enable a student to complete the lower-division courses or competencies for general education requirements and preparation for the major that a direct-entry student would typically complete in the freshman and sophomore years for that academic major.

(3) Completion of a transfer associate degree does not guarantee a student admission into an institution of higher education or admission into a major, minor, or professional program at an institution of higher education that has competitive admission standards for the program based on grade point average or other performance criteria.

(4) (~~During the 2004-05 academic year, the work groups must develop transfer degrees for elementary education, engineering, and nursing. Each year thereafter, the higher education coordinating board must convene additional groups to identify and develop additional transfer degrees. The board must give priority to majors in high demand by transfer students and majors that the general direct transfer agreement associate degree does not adequately prepare students to enter automatically upon transfer.~~

~~(5))~~ The (~~higher education coordinating board, in collaboration with the intercollegiate relations commission,~~) council

and the state board for community and technical colleges must collect and maintain lists of courses offered by each community and technical college and public four-year institution of higher education that fall within each transfer associate degree.

~~((6) The higher education coordinating board must monitor implementation of transfer associate degrees by public four-year institutions to ensure compliance with subsection (2) of this section.~~

~~(7) Beginning January 10, 2005, the higher education coordinating board must submit a progress report on the development of transfer associate degrees to the higher education committees of the house of representatives and the senate. The first progress report must include measurable benchmark indicators to monitor the effectiveness of the initiatives in improving transfer and baseline data for those indicators before the implementation of the initiatives. Subsequent reports must be submitted by January 10 of each odd-numbered year and must monitor progress on the indicators, describe development of additional transfer associate degrees, and provide other data on improvements in transfer efficiency.))"~~

Renumber the remaining sections consecutively and correct any internal references accordingly.

On page 172, after line 28, insert the following:

"28B.76.240

28B.76.2401

28B.76.250"

On page 173, line 10, after "2011" insert "1st sp. sess."

On page 201, beginning on line 28, strike all material through "College" on line 31 and insert "The council for higher education (~~coordinating board~~) and the state board for community and technical colleges"

Senator White spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senators White, Tom and Hill on page 121, line 4 to Second Substitute Senate Bill No. 5182.

The motion by Senator White carried and the amendment was adopted by voice vote.

#### MOTION

There being no objection, the following title amendment was adopted:

On page 2, line 10 of the title, after "28B.76.230," insert "28B.76.240, 28B.76.250,"

On page 2, line 31 of the title, after "28B.76.210," insert "28B.76.240, 28B.76.2401, 28B.76.250,"

On page 2, line 34 of the title, after "28B.76.200," strike all material through "28B.76.250,"

#### MOTION

Senator McAuliffe moved that the following amendment by Senators McAuliffe and Tom be adopted:

On page 131, line 2, after "institution" strike all material through "college" and insert "~~((or a community or technical college))~~"

On page 131, beginning on line 3, after "consortia;" strike all material through "28B.50.810" on line 8 and insert "and

(e) New degree programs and creation of off-campus programs by an independent college or university in collaboration with a community or technical college(~~and~~

~~(f) Applied baccalaureate degree programs developed by colleges under RCW 28B.50.810))"~~

Senator McAuliffe spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senators McAuliffe and Tom on page 131, line 2 to Second Substitute Senate Bill No. 5182.

The motion by Senator McAuliffe carried and the amendment was adopted by voice vote.

#### MOTION

On motion of Senator White, the rules were suspended, Engrossed Second Substitute Senate Bill No. 5182 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators White, Hill and Tom spoke in favor of passage of the bill.

Senators Kohl-Welles and Rockefeller spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Second Substitute Senate Bill No. 5182.

#### ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute Senate Bill No. 5182 and the bill passed the Senate by the following vote: Yeas, 34; Nays, 9; Absent, 0; Excused, 6.

Voting yea: Senators Baxter, Becker, Brown, Carrell, Delvin, Eide, Ericksen, Fain, Fraser, Hargrove, Harper, Hatfield, Haugen, Hill, Hobbs, Holmquist Newbry, Honeyford, Kilmer, King, Kline, Litzow, McAuliffe, Morton, Murray, Parlette, Pridemore, Roach, Schoesler, Sheldon, Shin, Stevens, Tom, White and Zarelli

Voting nay: Senators Baumgartner, Chase, Conway, Kastama, Keiser, Kohl-Welles, Nelson, Regala and Rockefeller

Excused: Senators Benton, Hewitt, Pflug, Prentice, Ranker and Swecker

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5182, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

#### MOTION

At 12:05 p.m., on motion of Senator Eide, the Senate was declared to be at ease subject to the call of the President.

#### AFTERNOON SESSION

The Senate was called to order at 1:06 p.m. by President Owen.

#### SECOND READING

#### CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

#### MOTION

Senator Brown moved that Gubernatorial Appointment No. 9129, Beth Thew, as a member of the Work Force Training and Education Coordinating Board, be confirmed.

Senator Brown spoke in favor of the motion.

#### APPOINTMENT OF BETH THEW

The President declared the question before the Senate to be the confirmation of Gubernatorial Appointment No. 9129, Beth



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Thew as a member of the Work Force Training and Education Coordinating Board.

SUBSTITUTE SENATE BILL NO. 5534, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

The Secretary called the roll on the confirmation of Gubernatorial Appointment No. 9129, Beth Thew as a member of the Work Force Training and Education Coordinating Board and the appointment was confirmed by the following vote: Yeas, 38; Nays, 0; Absent, 5; Excused, 6.

SECOND READING

SENATE BILL NO. 5941, by Senators Eide, Regala, Rockefeller and Kline

Voting yea: Senators Baumgartner, Baxter, Becker, Brown, Carrell, Chase, Conway, Delvin, Eide, Ericksen, Fain, Fraser, Hargrove, Harper, Hatfield, Haugen, Hill, Hobbs, Holmquist Newbry, Honeyford, Kastama, Keiser, Kilmer, King, Litzow, Murray, Nelson, Parlette, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Tom, White and Zarelli

Concerning judicial branch funding.

The measure was read the second time.

Absent: Senators Kline, Kohl-Welles, McAuliffe, Morton and Pridemore

MOTION

Excused: Senators Benton, Hewitt, Pflug, Prentice, Ranker and Swecker

On motion of Senator Eide, the rules were suspended, Senate Bill No. 5941 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Gubernatorial Appointment No. 9129, Beth Thew, having received the constitutional majority was declared confirmed as a member of the Work Force Training and Education Coordinating Board.

Senators Eide, Murray and Hargrove spoke in favor of passage of the bill.

Senators Schoesler, Roach, Holmquist Newbry and Honeyford spoke against passage of the bill.

SECOND READING

SENATE BILL NO. 5534, by Senators Murray, Zarelli and Kohl-Welles

The President declared the question before the Senate to be the final passage of Senate Bill No. 5941.

Concerning the business and occupation taxation of newspapers.

ROLL CALL

MOTIONS

On motion of Senator Murray, Substitute Senate Bill No. 5534 was substituted for Senate Bill No. 5534 and the substitute bill was placed on the second reading and read the second time.

The Secretary called the roll on the final passage of Senate Bill No. 5941 and the bill passed the Senate by the following vote: Yeas, 26; Nays, 17; Absent, 0; Excused, 6.

Voting yea: Senators Brown, Chase, Conway, Delvin, Eide, Fraser, Hargrove, Harper, Hatfield, Haugen, Hobbs, Kastama, Keiser, Kilmer, Kline, Kohl-Welles, Litzow, McAuliffe, Murray, Nelson, Regala, Rockefeller, Shin, Tom, White and Zarelli

On motion of Senator Murray, the rules were suspended, Substitute Senate Bill No. 5534 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Voting nay: Senators Baumgartner, Baxter, Becker, Carrell, Ericksen, Fain, Hill, Holmquist Newbry, Honeyford, King, Morton, Parlette, Pridemore, Roach, Schoesler, Sheldon and Stevens

Senator Murray and Zarelli spoke in favor of passage of the bill.

Excused: Senators Benton, Hewitt, Pflug, Prentice, Ranker and Swecker

MOTION

SENATE BILL NO. 5941, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

On motion of Senator Ericksen, Senator Morton was excused.

MOTION

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5534.

On motion of Senator Eide, Senate Bill No. 5941 was immediately transmitted to the House of Representatives.

ROLL CALL

SECOND READING

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5534 and the bill passed the Senate by the following vote: Yeas, 41; Nays, 0; Absent, 2; Excused, 6.

SENATE BILL NO. 5458, by Senators Keiser, Pflug, Kline, Becker, Conway, Pridemore, Rockefeller and Parlette

Voting yea: Senators Baumgartner, Baxter, Becker, Brown, Carrell, Chase, Conway, Delvin, Eide, Ericksen, Fain, Fraser, Hargrove, Harper, Hatfield, Haugen, Hill, Hobbs, Holmquist Newbry, Honeyford, Kastama, Keiser, Kilmer, King, Kohl-Welles, Litzow, Morton, Murray, Nelson, Parlette, Pridemore, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Tom, White and Zarelli

Concerning medicaid fraud.

MOTION

Absent: Senators Kline and McAuliffe

On motion of Senator Keiser, Second Substitute Senate Bill No. 5458 was substituted for Senate Bill No. 5458 and the second substitute bill was placed on the second reading and read the second time.

Excused: Senators Benton, Hewitt, Pflug, Prentice, Ranker and Swecker

MOTION

Senator Becker moved that the following amendment by Senator Becker and others be adopted:

On page 12, line 1, after "interviews of" strike "qui tam realtor or other"

On page 12, beginning on line 21, strike all of subsections (13) and (14)

Beginning on page 14, line 5, strike all of sections 12, 13, 14, and 15

Renumber the remaining sections consecutively and correct any internal references accordingly.

On page 19, beginning on line 22, after "Sec. 17." Strike all material through "(5)" on page 20, line 1

On page 20, line 7, after "section 11" strike "or 12(1)"

On page 20, line 9, after "section 11" strike "or 12"

On page 20, line 19, after "section 11" strike "or 12"

On page 20, beginning on line 20, strike all of subsection (3)

Beginning on page 20, line 32, strike all of section 19

Renumber the remaining sections consecutively and correct any internal references accordingly.

Senator Becker spoke in favor of adoption of the amendment.

Senators Keiser and Hargrove spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senator Becker and others on page 12, line 1 to Second Substitute Senate Bill No. 5458.

The motion by Senator Becker carried and the amendment was adopted by a rising vote.

#### MOTION

On motion of Senator Eide, further consideration of Second Substitute Senate Bill No. 5458 was deferred and the bill held its place on the second reading calendar.

#### SECOND READING

SENATE BILL NO. 5927, by Senators Keiser and Pflug

Limiting payments for health care services provided to low-income enrollees in state purchased health care programs.

#### MOTION

On motion of Senator Keiser, Substitute Senate Bill No. 5927 was substituted for Senate Bill No. 5927 and the substitute bill was placed on the second reading and read the second time.

#### MOTION

Senator Keiser moved that the following amendment by Senators Keiser and Becker be adopted:

On page 6, beginning on line 13, strike all of subsections (7) and (8) and insert the following:

"(7) A managed health care system shall negotiate in accordance with community standards for industry with health care providers to assure an adequate network of health care providers within its service areas and within each facility that has a written contract with the managed health care system. To facilitate negotiations with health care providers, a managed health care system shall provide the department documentation indicating that the managed health care system attempted to contract with the nonparticipating provider or provider group on similar terms to other participating providers delivering the same care in the same service area.

(8) If the requirement of subsection (7) of this section is satisfied, for services provided by nonparticipating providers, the managed health care system shall only be obligated to pay an amount determined by establishing the mode reimbursement rate for the same services in the same service area contracted for under this section by the managed health care system.

(9) In any case where a managed health care system must send an enrollee to a nonparticipating provider for contracted services under the circumstances and conditions set forth in subsection (8) of this section, it must notify the department and the provider as to the basis for utilizing the nonparticipating provider's services. Any disagreement between the managed health care system and a provider or provider group regarding whether the managed health care system satisfied the requirements set forth in subsection (7) of this section shall be decided by the department.

(10) Pursuant to federal managed care access standards, 42 CFR 438, managed health care systems must maintain a network of appropriate providers that is supported by written agreements sufficient to provide adequate access to all services covered under the contract with the department, including hospital-based physician services."

(11) Subsections (7) through (10) of this section expire January 1, 2014."

On page 10, beginning on line 7, after "(2)" strike all material through "program." on line 10 and insert "(a) A managed health care system shall negotiate in accordance with community standards for industry with health care providers to assure an adequate network of health care providers within its service areas and within each facility that has a written contract with the managed health care system. To facilitate negotiations with health care providers, a managed health care system shall provide the administrator documentation indicating that the managed health care system attempted to contract with the nonparticipating provider or provider group on similar terms to other participating providers delivering the same care in the same service area.

(b) This subsection (2) expires January 1, 2014."

Beginning on page 11, line 29, strike all of section 5 and insert the following:

"NEW SECTION. Sec. 5. A new section is added to chapter 70.47 RCW to read as follows:

(1) If the requirements of RCW 70.47.100 are satisfied, for services provided by nonparticipating providers, the managed health care system shall only be obligated to pay an amount determined by establishing the mode reimbursement rate for the same services in the same service area contracted for under this section by the managed health care system.

(2) In any case where a managed health care system must send an enrollee to a nonparticipating provider for contracted services under the circumstances and conditions set forth in subsection (1) of this section, it must notify the administrator and the provider as to the basis for utilizing the nonparticipating provider's services. Any disagreement between the managed health care system and a provider or provider group regarding whether the managed health care system satisfied the requirements set forth in RCW 70.47.100 shall be decided by the administrator pursuant to the requirements set forth in RCW 70.47.100.

(3) This section expires January 1, 2014."

Senators Keiser and Becker spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senators Keiser and Becker on page 6, line 13 to Substitute Senate Bill No. 5927.

The motion by Senator Keiser carried and the amendment was adopted by voice vote.

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On page 12, line 5, after "RCW 18.130.180(7)." insert "This section expires on January 1, 2014."

MOTION

There being no objection, the following title amendment was adopted:

On page 1, beginning on line 4 of the title, after "70.47 RCW;" strike the remainder of the title and insert "creating a new section; and providing expiration dates."

MOTION

Senator Keiser moved that the following amendment by Senator Keiser be adopted:

On page 6, line 13 after "system" strike "shall pay a nonparticipating provider that provides a service covered under this chapter to the system's enrollee no more than the amount paid for that service under the state's medicaid fee-for-service program." And insert, "shall only be obligated to pay the nonparticipating provider's charges based upon a statewide mode reimbursement rate for the same services contracted for under this section by the managed health care system. Any disputes over reimbursement shall be resolved pursuant to the managed health care system's dispute resolution process."

On page 6, line 29 after "18.130.180(7)." Insert the following: "(9) Pursuant to federal managed care access standards, 42 CFR 438, managed health care systems must maintain a network of appropriate providers that is supported by written agreements sufficient to provide adequate access to all services covered under the contract with the department, including hospital-based physician services."

On page 10, line 7 after "system" strike "shall pay a nonparticipating provider that provides a service covered under this chapter to the system's enrollee no more than the amount paid for that service under the state's medicaid fee-for-service program." And insert, "shall only be obligated to pay the nonparticipating provider's charges based upon a statewide mode reimbursement rate for the same services contracted for under this section by the managed health care system. Any disputes over reimbursement shall be resolved pursuant to the managed health care system's dispute resolution process."

On page 11, line 28 after "RCW 41.05.140." insert the following:

"(9) Pursuant to federal managed care access standards, 42 CFR 438, managed health care systems must maintain a network of appropriate providers that is supported by written agreements sufficient to provide adequate access to all services covered under the contract with the department, including hospital-based physician services."

On page 12, line 9 after "affected." Insert the following: "NEW SECTION. Sec. 7. This act expires on January 1, 2014."

WITHDRAWAL OF AMENDMENT

On motion of Senator Keiser, the amendment by Senator Keiser on page 6, line 13 to Substitute Senate Bill No. 5927 was withdrawn.

MOTION

Senator Becker moved that the following amendment by Senators Becker, Holmquist Newbry and Schoesler be adopted:

On page 6, after line 29, insert

"(9) Subsections (7) and (8) of this section expire on January 1, 2014."

On page 10, line 10, after "program." insert "This subsection expires on January 1, 2014."

WITHDRAWAL OF AMENDMENT

On motion of Senator Becker, the amendment by Senators Becker, Holmquist Newbry and Schoesler on page 6, line 29 to Engrossed Substitute Senate Bill No. 5927 was withdrawn.

MOTION

On motion of Senator Keiser, the rules were suspended, Engrossed Substitute Senate Bill No. 5927 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Keiser, Murray and Becker spoke in favor of passage of the bill.

Senator Parlette spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 5927.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5927 and the bill passed the Senate by the following vote: Yeas, 34; Nays, 9; Absent, 0; Excused, 6.

Voting yea: Senators Becker, Brown, Carrell, Chase, Conway, Delvin, Eide, Fraser, Hargrove, Harper, Hatfield, Haugen, Hobbs, Holmquist Newbry, Honeyford, Kastama, Keiser, Kilmer, King, Kline, Kohl-Welles, McAuliffe, Morton, Murray, Nelson, Pridemore, Regala, Rockefeller, Schoesler, Sheldon, Shin, Tom, White and Zarelli

Voting nay: Senators Baumgartner, Baxter, Ericksen, Fain, Hill, Litzow, Parlette, Roach and Stevens

Excused: Senators Benton, Hewitt, Pflug, Prentice, Ranker and Swecker

ENGROSSED SUBSTITUTE SENATE BILL NO. 5927, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Eide, Engrossed Substitute Senate Bill No. 5927 was immediately transmitted to the House of Representatives.

MOTION

At 1:59 p.m., on motion of Senator Eide, the Senate adjourned until 10:00 a.m. Wednesday, May 4, 2011.

BRAD OWEN, President of the Senate

THOMAS HOEMANN, Secretary of the Senate





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5182		9117 Paul Trause	
Second Reading.....	4	Confirmed .....	1
5182-S2		9129 Beth Thew	
Second Reading .....	4, 7, 8	Confirmed .....	8
Third Reading Final Passage .....	8		