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**SUBSTITUTE HOUSE BILL 2944**

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**State of Washington                      54th Legislature                      1996 Regular Session**

**By** House Committee on Appropriations (originally sponsored by Representative Dyer)

Read first time 02/05/96.

1            AN ACT Relating to affirming and clarifying the legislative  
2 authority to treat the initial rate set for refurbished and new nursing  
3 facilities as that rate which is established on July 1, 1995, for  
4 purposes of applying the eighty-five percent minimum occupancy  
5 requirement; and amending RCW 74.46.430.

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

7            **Sec. 1.** RCW 74.46.430 and 1995 1st sp.s. c 18 s 100 are each  
8 amended to read as follows:

9            (1) The department, as provided by this chapter, will determine  
10 prospective payment rates for services provided to medical care  
11 recipients. Each rate so determined shall represent the contractor's  
12 maximum compensation within each cost center and for return on  
13 investment for each resident day for such medical care recipient.

14            (2) The department may modify such maximum per resident day rates,  
15 consistent with this chapter, pursuant to the administrative appeals or  
16 exception procedure authorized by RCW 74.46.780.

17            (3) For July 1, 1995, and all following rates, the maximum  
18 prospective component payment rates for the nursing services, food,  
19 administrative, operational, and property cost centers, and the return

1 on investment (ROI) component rate for each nursing facility shall be  
2 established based upon a minimum licensed bed facility occupancy level  
3 of ninety percent, except for rate adjustments as provided for in RCW  
4 74.46.460(6), and except for entirely new facilities that commenced  
5 operation in 1994 and operated for less than a full calendar year in  
6 1994 in which case the rate for each component shall be based on a  
7 minimum licensed bed facility occupancy level of eighty-five percent.

8 (4) The minimum ninety percent facility occupancy shall be used to  
9 calculate individual rates, to calculate the median cost limits (MCLs)  
10 for the metropolitan statistical area (MSA) and nonmetropolitan  
11 statistical area (non-MSA) peer groups, and to array facilities by  
12 costs in calculating the variable return portion of the return on  
13 investment rate component (ROI).

14 (5) All contractors shall be required to adjust and maintain wages  
15 for all employees to a minimum hourly wage of four dollars and seventy-  
16 six cents per hour beginning January 1, 1988, and five dollars and  
17 fifteen cents per hour beginning January 1, 1989.

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