
Appropriations Committee

HB 2192

Brief Description: Making technical improvements to the medicaid nursing home rate setting process.

Sponsors: Representative Sommers; by request of Department of Social and Health Services.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Makes a number of clarifying and technical changes to the Medicaid nursing facility payment system.

Hearing Date: 2/28/05

Staff: Bernard Dean (786-7130).

Background:

There are about 240 Medicaid-certified nursing home facilities in Washington providing long-term care services to approximately 12,000 Medicaid clients. The payment system for these nursing homes is established in statute and is administered by the Department of Social and Health Services (DSHS).

The rates paid to nursing facilities are based on seven different components. These components include rates paid for direct care, therapy care, support services, operations, property, financing allowance, and variable return.

Direct care, therapy care, support services, and operations rate component allocations for July 1, 2001, through June 30, 2005, are based upon adjusted 1999 cost reports. Statutes do not specify the basis for nursing facility payments made after June 30, 2005.

The DSHS is authorized to increase direct care payments for nursing facility residents who have unmet exceptional care needs.

In accordance with the chapter of law on Medicaid nursing facility payments, nursing homes are subject to an interest penalty at the rate of 1 percent per month on the balance of overpayments existing 60 days after notification is sent to the nursing home by the DSHS. However, other chapters of law on revenue recovery for DSHS vendors also establish an interest rate of 1 percent on overpayments. If these overpayments are discovered by the vendor prior to discovery and notice by the DSHS, the interest begins accruing 90 days after the vendor notifies the DSHS of such overpayments.

Summary of Bill:

For the purposes of establishing nursing facility rates for July 1, 2005, and later rate allocations, direct care, therapy care, support services, and operations rate components will be based upon adjusted 1999 cost reports.

Nursing facility costs related to exceptional care payments for direct care will be offset against examined, allowable direct care costs, for each report year or partial period during which such payments are made.

Nursing homes subject to the Medicaid nursing facility payment system are exempted from the general chapter of law on revenue recovery for DSHS vendors, clarifying that the more specific law on nursing home overpayments applies.

Appropriation: None.

Fiscal Note: Available.

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