

HOUSE BILL REPORT

HB 2100

*As Reported By House Committee on:
Health Care*

Title: An act relating to nursing homes for underserved ethnic minorities.

Brief Description: Exempting nursing homes for underserved ethnic minorities from certificate of need requirements.

Sponsor(s): Representatives Braddock, Locke, Wineberry and Wang.

Brief History:

Reported by House Committee on:
Health Care, March 6, 1991, DPS.

**HOUSE COMMITTEE ON
HEALTH CARE**

Majority Report: *That Substitute House Bill No. 2100 be substituted therefor, and the substitute bill do pass.* Signed by 9 members: Representatives Braddock, Chair; Day, Vice Chair; Moyer, Ranking Minority Member; Cantwell; Franklin; Morris; Paris; Prentice; and Sprengle.

Minority Report: *Without recommendation.* Signed by 2 members: Representatives Casada, Assistant Ranking Minority Member and Edmondson.

Staff: Antonio Sanchez (786-7383).

Background: As a result of immigration and birth rate patterns, the elderly ethnic minority population is growing more rapidly than non-ethnic minority elders. In addition, a greater number of ethnic minority persons are becoming functionally disabled and require nursing home care. Data indicate that ethnic minority elderly persons have lower incomes, a higher probability of living in sub-standard conditions, and higher rates of illness than their elderly peers in the general population. As a consequence, ethnic minority elderly and functionally disabled persons tend to have higher levels of need for services than non-ethnic minority functionally disabled and elderly persons.

Despite the growing number of ethnic minority elderly and functionally disabled persons, there are very few nursing

homes in Washington State that provide culturally specific nursing home services. To further compound this condition, the State has instituted a policy to reduce the nursing home bed capacity from 53.7 to 45 beds per thousand people over 65 years of age and above. With the new 45-bed per thousand target, there will be no new nursing home beds approved to be constructed until the year 2000. As a result, the possibility of acquiring new or available nursing home beds to specifically serve ethnic minorities is diminished further.

Washington's Office of Certificate of Need administers the nursing home bed target set by the Department of Health. Anyone wanting to build a nursing home in the state of Washington must obtain prior approval from the Certificate of Need Office of the Department of Health. To apply, a prospective nursing home operator must submit an application as prescribed by the Certificate of Need Office. Currently the demand for constructing nursing home beds far exceeds the available beds.

Summary of Substitute Bill: The Department of Social and Health Services is required to establish a pool of 250 nursing home beds to serve the special needs of ethnic minorities. The nursing home beds in this pool will come from existing certified beds that become available when a nursing home loses their license, the number of beds that a nursing home is authorized for under their license is reduced, or a certificate of need expires and the beds that are allocated are not built or used.

The department is required to develop a procedure for awarding the beds in the pool. In making its decision about who will be awarded the special pool beds, the department must consider if the ethnic group's need is currently being met, how many low income persons will be served, the financial feasibility of the proposed nursing home, and the overall impact additional beds will have on an area.

Special needs nursing home beds will only be awarded to nonprofit corporations that have a board of directors made up of 50 percent of the ethnic minority that nursing home is intended to serve. In addition, the nursing home must be designed, managed, and administered to serve the special cultural, language, dietary, and other needs of an ethnic minority. Persons who are not members of the ethnic group specified to be served by the nursing home cannot be denied admissions to that nursing home.

If the nursing home is sold or leased the new operator will not obtain the special pool beds in the transaction. The purchaser or lessee of a nursing home with special needs

pool beds, must obtain a certificate of need for new beds. The special pool beds awarded to the nursing home will be returned to the department's special pool if the home is sold or leased.

Substitute Bill Compared to Original Bill: The substitute bill removed all language that allowed nursing homes designed, managed, and administered to serve the special needs of ethnic minority residents to be exempted from the Medicaid certificate of review process. New language was added that required the Department of Social and Health Services to establish a pool of 250 nursing home beds to serve the special needs of ethnic minorities. The nursing home beds in this pool will come from existing certified beds that become available when a nursing home loses their license, the number of beds that a nursing home is authorized for under its license is reduced, or a certificate of need expires and the beds that are allocated are not built or used.

Fiscal Note: Requested February 26, 1991.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill passed.

Testimony For: (Substitute bill): This bill would allow the growing number of ethnic minority persons who need nursing home care to receive appropriate and accessible services. This bill would not impact the state's mandate to reduce the number of nursing home beds.

Testimony Against: None.

Witnesses: Charles Reed, Department of Social and Health Services (pro); Frank Chestnut, Department of Health (pro); and Ben Woo, Chinese Nursing Home Society (pro).