

SENATE BILL REPORT

SB 5508

AS OF FEBRUARY 15, 1991

Brief Description: Pertaining to continuing care retirement communities.

SPONSORS: Senators West, Vognild, Talmadge, Williams, Stratton, Murray, Craswell, Saling, Cantu, Moore, A. Smith, Amondson, Metcalf, Oke, L. Smith, Roach and Bauer.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Staff: Scott Plack (786-7409)

Hearing Dates: February 19, 1991

BACKGROUND:

In 1988, the Legislature required a certificate of need for the development, expansion or establishment of certain types of continuing care retirement communities (CCRC). CCRCs are facilities which provide long-term residential, nursing, personal care and medical services to its residents. The resident pays an entrance fee (which may include transfer of property) and may pay periodic charges for the care and services involved.

The certificate of need program is operated by the state Department of Health. The program's intent is to control overall health care costs in the state by limiting the establishment of certain types of health care facilities and the expansion of certain types of high cost health care services.

A major cost driver for CCRCs is the nursing home care provided to residents. A certificate of need is required for CCRCs to control the expansion of nursing homes beds within the facility and the attendant potential cost to the state's Medicaid nursing home program. A CCRC is currently exempt from the certificate of need requirement if the nursing home care provided at the facility is limited to CCRC residents, the number of nursing home beds does not exceed one bed for every four residential living units and the facility maintains a binding agreement with DSHS not to participate in the state's Medicaid nursing home program.

While the intent for requiring a certificate of need for CCRCs was to control the development of new nursing home beds the Department of Health has interpreted the statutes to include the development of residential units as well. The state Medicaid program does not reimburse for the cost of residential living in a CCRC.

SUMMARY:

The residential units of CCRCs are removed from the state's certificate of need requirement.

Appropriation: none

Revenue: none

Fiscal Note: requested February 4, 1991