

SENATE BILL REPORT

SB 6354

AS REPORTED BY COMMITTEE ON HEALTH & LONG-TERM CARE,
FEBRUARY 6, 1992

Brief Description: Providing an exception to the nursing home prospective cost-related reimbursement system dual certification requirement.

SPONSORS: Senators Craswell, Barr, Pelz, Murray, Moore, West, Hayner, Newhouse, Williams, Metcalf, A. Smith, Vognild, McDonald, Stratton, Bauer, Oke and Roach

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: That Substitute Senate Bill No. 6354 be substituted therefor, and the substitute bill do pass.

Signed by Senators West, Chairman; L. Smith, Vice Chairman; Amondson, M. Kreidler, Newhouse, Niemi, and Wojahn.

Staff: Scott Plack (786-7409)

Hearing Dates: February 6, 1992

BACKGROUND:

In 1991 the Legislature enacted provisions requiring that the state's Medicaid certified nursing homes also meet Medicare certification requirements and obtain Medicare certification. The law requires that at least 15 percent of a nursing home's beds be Medicare certified. Medicare certification qualifies the nursing home to care for Medicare eligible patients. This action was taken to expand the number of nursing home beds available to Medicare eligible patients and to reduce some Medicaid costs by taking advantage of alternative Medicare reimbursement. The Medicare program is entirely federally funded, whereas the Medicaid program requires a state general fund match. The Medicaid program is administered by DSHS.

Medicare eligible patients are those who have recently been discharged from an acute care facility and have recuperative medical care needs that are generally short-term in nature. Medicaid patients tend to have more chronic care needs and require longer term institutional care. Often a patient will be initially be Medicare eligible and than later become Medicaid eligible. Medicare reimburses at higher level than Medicaid because of the specialized care needs required for eligible patients.

Currently, there are no exemptions from the law for nursing homes. Some have argued that the requirement is not practical or reasonable due to factors such as the size of the nursing home or its location.

SUMMARY:

DSHS is permitted to grant exemptions to nursing homes from the requirement that they obtain Medicare certification. This exemption applies to rural hospitals that have dedicated a wing of the facility for Medicare certified swing beds. It also applies to nursing homes that have occupancy rates of at least 95 percent, or have 50 or fewer total licensed beds, or where the number of certified beds in all nursing homes in a services area exceeds 15 percent, or when a nursing home is unable to meet Medicare certification requirements.

EFFECT OF PROPOSED SUBSTITUTE:

The exemptions from the Medicare certification requirement are deleted. Until June 1, 1993, DSHS is granted authority to grant exemptions from the Medicare certification requirement if the nursing home facility is making a good faith effort to obtain Medicare certification.

Appropriation: none

Revenue: none

Fiscal Note: requested January 27, 1992

TESTIMONY FOR:

Many nursing homes are at or near capacity and have waiting lists. In such cases, Medicare eligible patients who need immediate placement are not able to gain admission so the bill imposes a condition on nursing homes that many cannot meet. The requirement that nursing homes have 15 percent of their beds Medicare certified is arbitrary and may not reflect the actual need for such beds in a given community.

TESTIMONY AGAINST:

The list of exemptions in the original bill is too broad and excludes many nursing homes from the certification requirement. There is also a fiscal impact to the bill since the lost Medicare funding may have to be made up by the Medicaid program. Medicare eligible people may be people who were prior residents of a nursing home and return to the home after a hospital stay. Without Medicare certification these individuals would not be able to use their Medicare benefit and would have to self-pay or use Medicaid. The proposed amendment will allow DSHS time to consult with the nursing homes and try to address their concerns.

TESTIFIED: Charles Reed, DSHS (con); Jaak Juhkentaal, Martha and Mary Nursing Home (pro); Bill Bowers, Wesley Homes (pro); Karen Tynes, Washington Association of Homes for the Aging (pro)