

HOUSE BILL 1253

State of Washington 52nd Legislature 1991 Regular Session

By Representatives Braddock, Prentice, Holland, D. Sommers, Tate, R. Meyers, Moyer, Anderson, Sprenkle, Silver, Winsley, Paris, Broback, Bowman, Edmondson, Rayburn, Wood and Wynne.

Read first time January 23, 1991. Referred to Committee on Appropriations.

1 AN ACT Relating to continuity of nursing care in nursing homes;
2 amending RCW 74.46.481; creating a new section; providing an effective
3 date; and declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** It is the intent of the legislature to
6 temporarily raise the nursing services cost center lid in order to
7 provide an incentive to attract and retain nurses in nursing homes. It
8 is not the intent of the legislature to retrospectively reimburse
9 nursing homes for costs incurred prior to July 1, 1991.

10 **Sec. 2.** RCW 74.46.481 and 1990 c 207 s 1 are each amended to read
11 as follows:

12 (1) The nursing services cost center shall include all costs
13 related to the direct provision of nursing and related care, including
14 fringe benefits and payroll taxes for the nursing and related care

1 personnel. For rates effective for state fiscal year 1984, the
2 department shall adopt by administrative rule a definition of "related
3 care" which shall incorporate, but not exceed services reimbursable as
4 of June 30, 1983. For rates effective for state fiscal year 1985, the
5 definition of related care shall include ancillary care.

6 (2) The department shall adopt by administrative rules a method for
7 establishing a nursing services cost center rate consistent with the
8 principles stated in this section.

9 (3) Utilizing regression or other statistical technique, the
10 department shall determine a reasonable limit on facility nursing staff
11 taking into account facility patient characteristics. For purposes of
12 this section, facility nursing staff refers to registered nurses,
13 licensed practical nurses and nursing assistants employed by the
14 facility or obtained through temporary labor contract arrangements.
15 Effective January 1, 1988, the hours associated with the training of
16 nursing assistants and the supervision of that training for nursing
17 assistants shall not be included in the calculation of facility nursing
18 staff. In selecting a measure of patient characteristics, the
19 department shall take into account:

20 (a) The correlation between alternative measures and facility
21 nursing staff; and

22 (b) The cost of collecting information for and computation of a
23 measure.

24 If regression is used, the limit shall be set at predicted nursing
25 staff plus 1.75 regression standard errors. If another statistical
26 method is utilized, the limit shall be set at a level corresponding to
27 1.75 standard errors above predicted staffing computed according to a
28 regression procedure.

29 (4) No facility shall receive reimbursement for nursing staff
30 levels in excess of the limit, except that, if a facility was

1 reimbursed for a nursing staff level in excess of the limit as of June
2 30, 1983, the facility may chose to continue to receive its June, 1983
3 nursing services rate plus any adjustments in rates, such as
4 adjustments for economic trends, made available to all facilities.
5 However, nursing staff levels established under subsection (3) of this
6 section shall not apply to the nursing services cost center
7 reimbursement rate for the pilot facility especially designed to meet
8 the needs of persons living with AIDS as defined by RCW 70.24.017 and
9 specifically authorized for this purpose under the 1989 amendment to
10 the Washington state health plan [1989 1st ex.s. c 9]. The
11 reasonableness limit established pursuant to this subsection shall
12 remain in effect for the period July 1, 1983 through June 30, 1985. At
13 that time the department may revise the measure of patient
14 characteristics or method used to establish the limit.

15 (5) The department shall select an index of cost increase relevant
16 to the nursing and related services cost area. In the absence of a
17 more representative index, the department shall use the medical care
18 component index as maintained by the United States bureau of labor
19 statistics.

20 (6) If a facility's nursing staff level is below the limit
21 specified in subsection (3) of this section, the department shall
22 determine the percentage increase for all items included in the nursing
23 services cost center between the facility's most recent cost reporting
24 period and the next prior cost reporting period.

25 (a) If the percentage cost increase for a facility is below the
26 increase in the selected index for the same time period, the facility's
27 reimbursement rate in the nursing services cost center shall equal the
28 facility's cost from the most recent cost reporting period plus any
29 allowance for inflation provided by legislative appropriation.

1 (b) If the percentage cost increase for a facility exceeds the
2 increase in the selected index, the department shall limit the cost
3 used for setting the facility's rate in the nursing services cost area
4 to a level reflecting the increase in the selected index.

5 (7) If the facility's nursing staff level exceeds the
6 reasonableness limit established in subsection (3) of this section, the
7 department shall determine the increase for all items included in the
8 nursing services cost center between the facility's most recent cost
9 reporting period and the next prior cost reporting period.

10 (a) If the percentage cost increase for a facility is below the
11 increase in the index selected pursuant to subsection (5) of this
12 section, the facility's reimbursement rate in the nursing cost center
13 shall equal the facility's cost from the most recent cost reporting
14 period adjusted downward to reflect the limit on nursing staff, plus
15 any allowance for inflation provided by legislative appropriation
16 subject to the provisions of subsection (4) of this section.

17 (b) If the percentage cost increase for a facility exceeds the
18 increase in the selected index, the department shall limit the cost
19 used for setting the facility's rate in the nursing services cost
20 center to a level reflecting the nursing staff limit and the cost
21 increase limit, subject to the provisions of subsection (4) of this
22 section, plus any allowance for inflation provided by legislative
23 appropriation.

24 (8) Prospective rates for the nursing services cost center for
25 state fiscal years 1992 and 1993 shall not be subject to the cost index
26 lid in subsections (5), (6), and (7) of this section. The total of all
27 rate increases for the nursing services cost center for any nursing
28 home, including prospective rate increases authorized pursuant to RCW
29 74.46.495 and 74.46.460 but excluding costs associated with new federal
30 regulatory requirements, during this period shall not exceed fifty

1 percent of the average rate paid during state fiscal year 1991 for the
2 nursing services cost center for that nursing home.

3 (9) The department is authorized to determine on a systematic basis
4 facilities with unmet patient care service needs. The department may
5 increase the nursing services cost center prospective rate for a
6 facility beyond the level determined in accordance with subsection (6)
7 of this section if the facility's actual and reported nursing staffing
8 is one standard error or more below predicted staffing as determined
9 according to the method selected pursuant to subsection (3) of this
10 section and the facility has unmet patient care service needs:
11 PROVIDED, That prospective rate increases authorized by this subsection
12 shall be funded only from legislative appropriations made for this
13 purpose and the increases shall be conditioned on specified
14 improvements in patient care at such facilities.

15 ~~((9))~~ (10) The department shall establish a method for
16 identifying patients with exceptional care requirements and a method
17 for establishing or negotiating on a consistent basis rates for such
18 patients.

19 ~~((10))~~ (11) The department, in consultation with interested
20 parties, shall adopt rules to establish the criteria the department
21 will use in reviewing any requests by a contractor for a prospective
22 rate adjustment to be used to increase the number of nursing staff.
23 These rules shall also specify the time period for submission and
24 review of staffing requests: PROVIDED, That a decision on a staffing
25 request shall not take longer than sixty days from the date the
26 department receives such a complete request. In establishing the
27 criteria, the department may consider, but is not limited to, the
28 following:

29 (a) Increases in acuity levels of contractors' residents;

30 (b) Staffing patterns for similar facilities;

1 (c) Physical plant of contractor; and

2 (d) Survey, inspection of care, and department consultation
3 results.

4 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
5 preservation of the public peace, health, or safety, or support of the
6 state government and its existing public institutions, and shall take
7 effect July 1, 1991.