

HOUSE BILL REPORT

HB 1080

As Reported By House Committee On:
Health Care

Title: An act relating to contracts for admission to nursing homes.

Brief Description: Requiring nursing homes to refund deposits or minimum stay fees when not used by residents.

Sponsors: Representatives Valle, Quall and Franklin.

Brief History:

Reported by House Committee on:
Health Care, February 18, 1993, DPS.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 16 members: Representatives Dellwo, Chair; L. Johnson, Vice Chair; Dyer, Ranking Minority Member; Ballasiotes, Assistant Ranking Minority Member; Appelwick; Campbell; Conway; Cooke; Flemming; R. Johnson; Lisk; Mastin; Mielke; Morris; Thibaudeau; and Veloria.

Staff: Antonio Sanchez (786-7383).

Background: The state's Nursing Home Program provides residential health care to eligible persons who are no longer capable of independent living and require nursing services. Nursing homes receive reimbursement for services from three major sources: private payment, Medicaid, and Medicare. It is customary for most, if not all, nursing homes to require the deposit fee for private pay residents. The deposit fee can be a nonrefundable flat admissions fee or a standard deposit fee based on a per day basis. The deposit fees range depending on the discretion and needs of the facility. Some private nursing home facilities have a standard 14-day nonrefundable deposit fee.

Currently, there are no regulations that either discourage or require a nursing home to refund a portion of a private nursing home resident's deposit fee in the event the resident does not reside in the nursing home. All nursing homes, except those who take only private pay residents, are required to provide the resident or their representative

full disclosure of deposits and fees upon admissions. There are no requirements stipulating when deposit funds owed are to be returned to the resident or their representative.

Summary of Substitute Bill: The substitute requires that all nursing homes fully disclose in writing at the time of admissions the nursing home's charges for items and services, and any admissions fees, deposits or minimum stay fees and the amounts, if any, of refunds due upon discharge. The nursing home is required to reimburse any funds due within 30 days. All nursing homes who fail to comply with the disclosure and reimbursement of deposit funds are subject to current sanctions relating to unfair business practices and consumer protection.

Substitute Bill Compared to Original Bill: The substitute eliminates the requirement that nursing homes return the balance of all deposits and minimum stay fees covering the resident beyond the date of discharge. All nursing homes are required to fully disclose in writing at the time of admissions the nursing home's charges for items and services, and any admissions fees, deposits or minimum stay fees and the amounts, if any, of refunds due upon discharge. The nursing home is required to reimburse any funds due within 30 days.

Fiscal Note: Available.

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

Testimony For: Elderly residents will be provided with some protection against a nursing home taking a large amount of their money for something that they should not have the right to keep.

Testimony Against: All nursing homes that are providing the most expensive care and services during the first month of service will be impacted.

Witnesses: (On original bill): Scott Sigman, Washington Health Care Authority (con); Irene Robbins, Senior Lobby (pro); and Jean Fuller (pro).