

# HOUSE BILL REPORT

## HB 1877

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As Reported By House Committee On:  
Health Care

**Title:** An act relating to long-term care.

**Brief Description:** Providing for examination of nursing home care and charges.

**Sponsors:** Representatives Flemming, Eide, Mastin and Morris.

**Brief History:**

Reported by House Committee on:  
Health Care, February 26, 1993, DPS.

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### HOUSE COMMITTEE ON HEALTH CARE

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 15 members: Representatives Dellwo, Chair; L. Johnson, Vice Chair; Dyer, Ranking Minority Member; Ballasiotes, Assistant Ranking Minority Member; Appelwick; Campbell; Conway; Cooke; Flemming; Lisk; Mastin; Mielke; Morris; Thibaudeau; and Veloria.

**Staff:** Antonio Sanchez (786-7383).

**Background:** The Washington Health Care Commission report indicated that the increasing cost of health services is straining the resources of individuals, business and governments. The total expenditure for Washington State was almost \$15 billion dollars in 1992 and is continuing to grow at a rate well above inflation. State government-purchased health expenditures were over \$2.8 billion. Nursing homes are a significant part of the state's health care system and are also a contributor to the overall rise in health care expenditures.

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 home care is provided by 307 private facilities, containing approximately 31,000 residents. The average age is 86. The average age at admission is 82 and the average length of stay is 723 days. Nursing homes receive reimbursement for services from three major sources: private payment, Medicaid, and Medicare. The majority - two-thirds of

patient days - of nursing home reimbursement was provided by Medicaid. All nursing homes licensed in the state of Washington that receive Medicaid or Medicare reimbursement are required to comply with both federal and state regulations. The 1990 Long-Term Care Commission identified that "nursing homes in Washington are subject to stringent regulations and frequent independent monitoring in accordance with federal medicaid standards." The commission report also noted that federal licensing regulations "place too much emphasis on administrative procedures and records and not enough time upon consumers' activities and well being." The commission recommended that the Department of Social and Health Services conduct a review of the current standards, record and procedures in nursing homes in an effort to increase the quality of care.

Physicians and licensed nurses currently play a leading role in directing the overall plan of care for nursing home patients and overseeing and maintaining the quality of nursing home care. They are also responsible for generating approximately 60 percent of the medical charges for these patients.

Currently, nursing homes are not required to provide itemized patient charges to the attending physician.

**Summary of Substitute Bill:** The Department of Social and Health Services Aging and Adult Services Administration is required to review all departmental rules and state and federal laws to identify if any of the documentation requirements or protocols are redundant and could be changed without negatively impacting the health and safety of the resident. The review should specifically identify redundancy in the forms used and in physician protocols. In turn, the review should also include suggestions for efficiency modifications in the data gathering through forms, the need for multiple physician signatures, and standardization of physician protocols for nonlife-threatening conditions. The Department of Social and Health Services is required to conduct the review in coordination with nursing home care constituents and professional groups who work in this field. The report of findings and suggestions is required to be submitted to the Legislature by December 12, 1993.

All nursing home directors are required to maintain a written procedure for disclosing patient charges to attending physicians working in the nursing homes. These charges are to be provided in writing, itemized, and made available if requested by the patient's physician.

**Substitute Bill Compared to Original Bill:** The substitute bill requires the Department of Social and Health Services to conduct the review and analysis using existing resources. It clarifies that the department will make the needed regulatory changes identified in their analysis or recommend to the appropriate regulatory agency any such changes that are outside of their jurisdiction. The Washington Osteopathic Medical Association is added to the list of professional organizations that will assist the department in the review. The process by which attending physicians are provided with a list of medical charges is clarified. Other technical housekeeping changes are made.

**Fiscal Note:** Not Requested.

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

**Testimony For:** This bill will allow nursing homes to be included in an effort to reduce the growing cost of health care. Redundancy in documentation and procedures need to be addressed so that care providers can spend more time caring for nursing home residents.

**Testimony Against:** None.

**Witnesses:** Representative Flemming, prime sponsor; Dr. David Munoz (pro); Cathy Wiggins, Department of Social and Health Services; Scott Sigman, Washington Health Care Association; and Rob Menaul, Washington State Hospital Association (pro).