

SENATE BILL REPORT

HB 2791

**AS REPORTED BY COMMITTEE ON HEALTH & HUMAN SERVICES,
FEBRUARY 25, 1994**

Brief Description: Revising provisions relating to nursing home cost reports and audits.

SPONSORS: Representatives R. Johnson, Dyer, L. Thomas, B. Thomas, Foreman, Forner and Silver

HOUSE COMMITTEE ON HEALTH CARE

SENATE COMMITTEE ON HEALTH & HUMAN SERVICES

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.

Signed by Senators Talmadge, Chairman; Wojahn, Vice Chairman; Deccio, Franklin, Fraser, Hargrove, McAuliffe, McDonald, Moyer, Niemi, Prentice, Quigley and Winsley.

Staff: Rhoda Jones (786-7198)

Hearing Dates: February 22, 1994; February 25, 1994

BACKGROUND:

Currently the state conducts financial audits every three years on nursing homes which receive Medicaid reimbursement. These audits review expenditures to determine if they are allowable costs under Medicaid rules.

Any bill that was not paid within 120 days is not calculated by the Department of Social and Health Services (DSHS) as part of the Medicaid cost base for that year. Therefore, some expenses that would have been allowable under Medicaid rules are not repaid.

DSHS is not permitted to publicly disclose financial information on nursing homes and related facilities. This includes rental or lease terms, facility or corporate balance sheets, the schedule of changes in financial information and the statement of changes in equity fund balances.

SUMMARY:

DSHS may wait five years to conduct financial audits on nursing homes.

Nursing home bills paid within six months of the end of the reporting year must be considered as part of the cost base for that year for Medicaid reimbursement purposes.

DSHS may disclose previously confidential information to the public relating from nursing home cost reports. The public can now learn about nursing home rental or lease information, balance sheets, schedule of changes in financial position and the state of changes in equity fund balances.

SUMMARY OF PROPOSED COMMITTEE AMENDMENT:

Public access to nursing home rate information is limited to associations representing at least 50 providers licensed under state nursing home statutes. Nursing homes are also allowed to opt out of public disclosure.

Nursing home bills that are unpaid after 180 days of the close of the reporting year cannot be allowed for Medicaid reimbursement purposes. Exemptions are allowed for any bills under dispute.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR:

This bill allows nursing homes to be reimbursed for valid expenses. Nursing homes also need to know basic financial information pertaining to industry costs.

TESTIMONY AGAINST:

The Department of Social and Health Services is opposed to this bill because two sections contain bad policy. DSHS does not want to appear to condone late bill payments by nursing homes.

TESTIFIED: Jerry Reilly, WA Health Care Assn. (pro); Paul Montgomery, DSHS (con)