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HOUSE BILL 2552

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State of Washington

53rd Legislature

1994 Regular Session

By Representative Sommers; by request of Department of Social and Health Services

Read first time 01/17/94. Referred to Committee on Appropriations.

1 AN ACT Relating to nursing home reimbursement rate setting; and  
2 amending RCW 74.46.420.

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

4 **Sec. 1.** RCW 74.46.420 and 1993 sp.s. c 13 s 7 are each amended to  
5 read as follows:

6 The following principles are inherent in RCW 74.46.430 through  
7 74.46.590:

8 (1) Reimbursement rates will be set prospectively on a per patient  
9 day basis on a two-year cycle corresponding to each state biennium; and

10 (2) The rates, in the nursing services, food, administrative, and  
11 operational cost centers, shall be adjusted downward or upward when set  
12 effective July 1 of the first fiscal year of the two-year rate-setting  
13 cycle and, except as provided in subsection (6) of this section,  
14 adjusted again downward or upward effective July 1 of the second fiscal  
15 year of the rate-setting cycle for economic trends and conditions.

16 (3) The July 1 rates for the first year of each biennium shall be  
17 adjusted by the change in the implicit price deflator for personal  
18 consumption expenditures index published by the bureau of labor  
19 statistics of the United States department of labor. The period used

1 to measure the increase or decrease to be applied to these first year  
2 biennial rates shall be the calendar year preceding the July 1  
3 commencement of the state biennium.

4 (4) Except as provided in subsection (6) of this section, the July  
5 1 rates for the second year of each biennium shall be adjusted by the  
6 change in the nursing home input price index without capital costs  
7 published by the health care financing administration of the department  
8 of health and human services, HCFA index, however, any increase shall  
9 be multiplied by one and one-half. The period used to measure the HCFA  
10 index increase to be multiplied by one and one-half and applied or  
11 decrease to be applied to these second-year biennial rates shall also  
12 be the calendar year preceding the July 1 commencement of the state  
13 biennium: PROVIDED, However, That in the event the change in the HCFA  
14 index measured over the following calendar year, the one terminating  
15 six months after the start of the state biennium, is twenty-five  
16 percent greater or less than the change in the HCFA index measured over  
17 the calendar year preceding commencement of the state biennium, the  
18 department shall use the HCFA index increase multiplied by one and one-  
19 half or decrease in such following calendar year to inflate or decrease  
20 nursing facilities' nursing services, food, administrative, and  
21 operational rates for July 1 of the second biennial year.

22 (5) If either the implicit price deflator index or the health care  
23 financing administration index ceases to be published in the future,  
24 the department shall select by rule and use in their place one or more  
25 measures of change from an alternate source or sources for the same or  
26 comparable time periods.

27 (6) Notwithstanding any other provision of this chapter, the  
28 department may not adjust downward or upward for economic trends and  
29 conditions nursing facilities' rates in the nursing services, food,  
30 administrative, and operational cost centers for the July 1, 1994,  
31 through June 30, 1995, prospective rate period. For all other  
32 prospective rate periods corresponding to the second fiscal year of  
33 each state biennium, beginning with July 1, 1996 rates, nursing  
34 facilities' rates in the nursing services, food, administrative, and  
35 operational cost centers shall be adjusted downward or upward for  
36 economic trends and conditions as authorized in subsections (2) and (4)  
37 of this section.

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