

1 5179-S2 AMH APP AMH-3129.1

2 **2SSB 5179** - H COMM AMDS
3 By Committee on Appropriations

4 ADOPTED AS AMENDED 4/14/97

5 On page 8, line 27, after "74.46.370," strike "and" and insert
6 "~~(and)~~"

7 On page 8, line 27, after "74.46.380" insert ", and section 8 of
8 this act"

9 On page 8, line 37, after "lower" insert "; except that section 8
10 of this act shall be applied if the nursing facility meets all of the
11 criteria specified therein"

12 On page 11, after line 22, insert the following:

13 "NEW SECTION. **Sec. 8.** A new section is added to chapter 74.46 RCW
14 to read as follows:

15 (1)(a) Notwithstanding any provision to the contrary in this
16 chapter, including RCW 74.46.360 and 74.46.410, for nursing facilities
17 meeting the criteria in (b) of this subsection, the allowable cost of
18 real and personal property assets shall be the lower of the actual cost
19 to the purchaser or the amount allowed under the COBRA asset cost
20 increase limitation for nursing facilities pursuant to 42 C.F.R.
21 447.253 (d)(2); however, if federally permitted, the department shall
22 use the consumer price index for all urban consumers (CPI-U) (United
23 States city average).

24 (b) Subsection (1)(a) of this section is applicable only to nursing
25 facilities which satisfy all of the following criteria: (i) The
26 original facility and any major renovations or remodeling, exceeding
27 the expenditure minimum established by the department of health
28 pursuant to chapter 70.38 RCW, is at least twenty years old on January
29 1, 1997; (ii) the facility has a licensed bed capacity of one hundred
30 sixty beds or greater on January 1, 1997; (iii) the facility's licensee
31 voluntarily banked licensed nursing facility beds during 1995 and 1996,
32 pursuant to chapter 70.38 RCW; (iv) the contractor has been the lessee
33 for a period of ten or more consecutive years by January 1, 1997; and

1 (v) the contractor lessee enters into a duly executed purchase
2 agreement with the arm's-length lessor after January 1, 1997, but prior
3 to January 1, 1998.

4 (2) The rate adjustment provided in subsection (1) of this section
5 shall be effective upon the completion of the nursing facility's
6 renovation project and only if the costs exceed four million dollars."

7 Correct the title.

8 EFFECT: Encourages qualifying nursing homes to renovate their
9 physical plant instead of building new facilities in a new location
10 when the current facility no longer meets patient needs. Such
11 renovations will be financed at a lower cost to the state than the cost
12 of new construction.

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