

1 **SSB 5967 - H AMD 306 ADOPTED 4-25-99**

2 By Representative

3 On page 2, after line 23, insert the following:

4 **Sec. 3.** 1999 c ... (ESSB 5180) s 207 (uncodified) is amended to
5 read as follows:

6 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--AGING AND ADULT**
7 **SERVICES PROGRAM**

8	General Fund--State Appropriation (FY 2000) . . . \$	((451,758,000))
9		<u>452,044,000</u>
10	General Fund--State Appropriation (FY 2001) . . . \$	((476,187,000))
11		<u>476,761,000</u>
12	General Fund--Federal Appropriation \$	((1,000,701,000))
13		<u>1,001,629,000</u>
14	General Fund--Private/Local Appropriation \$	4,274,000
15	Health Services Account--State Appropriation . . \$	2,104,000
16	TOTAL APPROPRIATION \$	((1,935,024,000))
17		<u>1,936,812,000</u>

18 The appropriations in this section are subject to the following
19 conditions and limitations:

20 (1) The entire health services account appropriation, \$2,118,000
21 of the general fund--federal appropriation, \$923,000 of the general
22 fund--state appropriation for fiscal year 2000, and \$958,000 of the
23 general fund--state appropriation for fiscal year 2001 are provided
24 solely for health care benefits for home care workers who are employed
25 through state contracts for at least twenty hours per week. Premium
26 payments for individual provider home care workers shall be made only
27 to the subsidized basic health plan. Home care agencies may obtain
28 coverage either through the basic health plan or through an alternative
29 plan with substantially equivalent benefits.

30 (2) \$1,640,000 of the general fund--state appropriation for fiscal
31 year 2000 and \$1,640,000 of the general fund--state appropriation for
32 fiscal year 2001, plus the associated vendor rate increase for each
33 year, are provided solely for operation of the volunteer chore services
34 program.

35 (3) For purposes of implementing Engrossed Second Substitute House
36 Bill No. 1484 (nursing home payment rates), the weighted average

1 nursing facility payment rate for fiscal year 2000 shall be no more
2 than \$10.36 for the capital portion of the rate and no more than
3 \$108.20 for the noncapital portion of the rate. For fiscal year
4 ((2000)) 2001, the weighted average nursing facility payment rate shall
5 be no more than \$10.57 for the capital portion of the rate and no more
6 than \$110.91 for the noncapital portion of the rate. These rates
7 include vendor rate increases, but exclude nurse's aide training.

8 (4) ~~((If Engrossed Second Substitute House Bill No. 1484 is not
9 enacted by June 30, 1999, for purposes of implementing chapter 322,
10 Laws of 1998 (nursing home payment rates), the weighted average nursing
11 home payment rate shall be no more than \$118.39 for fiscal year 2000
12 and no more than \$120.36 for fiscal year 2001, including vendor rate
13 increases but excluding nurse's aide training. The appropriations in
14 this section include \$69,173,000 for fiscal year 2000 and \$68,123,000
15 for fiscal year 2001 for the department of social and health services
16 to include a property component, a financing allowance component, and
17 a variable return component in the rate it pays to nursing facilities.
18 By July 1, 1999, the department shall adopt rules on an emergency basis
19 pursuant to RCW 34.05.350 under which each nursing facility contractor
20 shall continue to be paid the property, the financing allowance, and
21 the variable return rate which it was paid on June 30, 1999. Each
22 nursing facility contractor's June 30, 1999, variable return rate
23 shall be increased by 1 percent effective July 1, 1999. Each nursing
24 facility contractor's June 30, 2000 variable return rate shall be
25 increased by 1 percent effective July 1, 2000. With respect to a
26 nursing facility which enters the medicaid program for the first time
27 on or after July 1, 1999, the department shall pay the lesser of (a)
28 the property, the financing allowance, and the variable return rate for
29 which the facility would qualify under chapter 388-96 WAC; or (b) the
30 state-wide average rate for each of those rate components, weighted by
31 medicaid patient days. With respect to a nursing facility which makes
32 a capitalized addition or replacement which requires a certificate of
33 need and which is approved by the department of health on or after July
34 1, 1999, the department shall pay the lesser of (a) the property, the
35 financing allowance, and the variable return rate for which the
36 facility would qualify under chapter 388-96 WAC; or (b) the state-wide
37 average rate for each of those rate components, weighted by medicaid
38 patient days.))In addition to the rates set forth in subsection (3),~~

1 \$286,000 of the general fund--state appropriation for fiscal year 2000,
2 \$574,000 of the general fund--state appropriation for fiscal year 2001,
3 and \$928,000 of the general fund--federal appropriation are provided
4 solely for supplemental rate adjustments for certain nursing
5 facilities. In accordance with RCW 74.46.431, the department shall use
6 these funds to apply an additional economic trends and conditions
7 adjustment factor to the rate of any facility whose total rate
8 allocation would otherwise be less than its April 1, 1999, total rate,
9 adjusted for case-mix changes. This supplemental adjustment factor
10 shall be the percentage by which the facility's April 1, 1999, rate
11 would otherwise exceed the rate calculated in accordance with chapter
12 74.46 RCW and sub-section (3) of this section, except that (a) no
13 adjustment shall be provided for any amounts by which a facility's rate
14 is lower due to a reduction in its facility-average medicaid case-mix
15 score; and (b) the adjustment factor shall be reduced proportionately
16 for all facilities by the percentage by which total supplemental
17 payments would otherwise exceed the funds provided for such payments in
18 this sub-section.

19 (5) \$50,000 of the general fund--state appropriation for fiscal
20 year 2000 and \$50,000 of the general fund--state appropriation for
21 fiscal year 2001 are provided solely for payments to any nursing
22 facility licensed under chapter 18.51 RCW which meets all of the
23 following criteria: (a) The nursing home entered into an arm's length
24 agreement for a facility lease prior to January 1, 1980; (b) the lessee
25 purchased the leased nursing home after January 1, 1980; and (c) the
26 lessor defaulted on its loan or mortgage for the assets of the home
27 after January 1, 1991, and prior to January 1, 1992. Payments provided
28 pursuant to this subsection shall not be subject to the settlement,
29 audit, or rate-setting requirements contained in chapter 74.46 RCW.

30 (6) \$6,264,000 of the general fund--state appropriation for fiscal
31 year 2000, \$13,860,000 of the general fund--state appropriation for
32 fiscal year 2001, and \$21,795,000 of the general fund--federal
33 appropriation are provided solely to increase compensation for
34 individual and for agency home care providers. Payments to individual
35 home care providers are to be increased from \$6.18 per hour to \$6.68
36 per hour on July 1, 1999, and to \$7.18 per hour on July 1, 2000.
37 Payments to agency providers are to increase to \$11.97 per hour on July
38 1, 1999, and to \$12.62 per hour on July 1, 2000. All but 14 cents per

1 hour of the July 1, 1999, increase to agency providers, and all but 15
2 cents per hour of the additional July 1, 2000, increase is to be used
3 to increase wages for direct care workers. The appropriations in this
4 subsection also include the funds needed for the employer share of
5 unemployment and social security taxes on the amount of the increase.

6 (7) \$200,000 of the general fund--state appropriation for fiscal
7 year 2000, \$80,000 of the general fund--state appropriation for fiscal
8 year 2001, and \$280,000 of the general fund--federal appropriation are
9 provided solely for enhancement and integration of existing management
10 information systems to (a) provide data at the local office level on
11 service utilization, costs, and recipient characteristics; and (b)
12 reduce the staff time devoted to data entry.

13 (8) The department of social and health services shall provide
14 access and choice to consumers of adult day health services for the
15 purposes of nursing services, physical therapy, occupational therapy,
16 and psychosocial therapy. Adult day health services shall not be
17 considered a duplication of services for persons receiving care in
18 long-term care settings licensed under chapter 18.20, 72.36, or 70.128
19 RCW.

20 (9) \$1,452,000 of the general fund--state appropriation for fiscal
21 year 2000, \$1,528,000 of the general fund--state appropriation for
22 fiscal year 2001, and \$2,980,000 of the general fund--federal
23 appropriation are provided solely for implementation of Second
24 Substitute House Bill No. 1546 (in-home care services). If Second
25 Substitute House Bill No. 1546 is not enacted by June 30, 1999, the
26 amounts provided in this subsection shall lapse.

27 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
28 preservation of the public peace, health, or safety, or support of the
29 state government and its existing public institutions, and takes effect
30 July 1, 1999.-

EFFECT: Provides funding and establishes a mechanism to insure
that the rate paid to a given nursing home in the 1999-2001
Biennium, adjusted for case mix changes, will not be less than
their April 1999 rate. Corrects a technical problem where one
section referenced the wrong fiscal year. Deletes a subsection
which would have set alternative payments rates if HB 1484

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(nursing home property rates) is not enacted by June 30, 1999.
Makes the bill effective July 1, 1999.

FISCAL IMPACT:

Increases General Fund-State by \$860,000.

Increases Other Funds by \$928,000.