

# HOUSE BILL REPORT

## HB 1546

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### As Reported By House Committee On:

Health Care  
Appropriations

**Title:** An act relating to in-home care services.

**Brief Description:** Modifying provisions related to long-term care of adults.

**Sponsors:** Representatives Cody, Parlette, Doumit, Ballasiotes, Conway, D. Schmidt, Dickerson, Campbell, Wolfe, Kenney, Ogden, Radcliff, Kessler, Veloria, Ruderman, Linville, Santos, Haigh, Cooper, Miloscia, Edmonds, Keiser, Lantz, Hurst, Schual-Berke, Quall, Van Luven, Rockefeller, O'Brien, Wood, Murray, Fortunato and McIntire.

### Brief History:

#### Committee Activity:

Health Care: 2/11/99, 3/2/99 [DPS];

Appropriations: 3/5/99, 3/6/99 [DP2S(w/o sub HC)].

#### Brief Summary of Second Substitute Bill

- Establishes a comprehensive array of quality of care measures for monitoring case management and in-home care services.
- Expands Area Agency on Aging (AAA) case management responsibilities.

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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 11 members: Representatives Cody, Democratic Co-Chair; Parlette, Republican Co-Chair; Pflug, Republican Vice Chair; Alexander; Boldt; Campbell; Conway; Edmonds; Edwards; Mulliken and Ruderman.

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

### Background:

In 1995, the Washington State Legislature passed House Bill 1908, making many changes in Washington's long-term care programs. Included in these changes was to encourage the use of community based care over nursing home care, moving case management responsibility for the under 60 disabled population to the Area Agency on Aging (AAA), and reorganizing service authorization and client responsibilities between the DSHS and the AAAs. These changes resulted in the greater utilization of in-home care services. Over the past eight years the in-home care program has increased 60 percent. Currently, there are approximately 20,000 persons in Washington receiving the Department of Social and Health Services (DSHS) in-home personal care services.

There are two types of the DSHS in-home care programs available. One option is to receive services from a home care agency, which recruits, hires, supervises, schedules, and monitors the assistance provided to the client (contracted program). The other option is for clients to use an Individual Provider Program (IPP). Under this state-funded program, the client becomes the employer and is directly responsible for all aspects of the work provided -- from hiring the caregiver to supervising them.

Unless a special exception has been made, clients who need more than 112 hours of in-home care must be referred to the IPP. The 112 hour limit is not related to meeting particular amounts or types of clients' needs, rather it is an artificial cost control cut-off mechanism designed to keep the cost of in-home care below 90 percent of nursing facility care. Because of the additional services provided, overhead and quality of care requirements associated with the contracted program, the hourly cost of the contracted program has always been higher than those of the IPP. Individual Providers (IPs) are currently paid \$6.18 an hour and agencies in the contracted program rates are approximately \$11.40 (+ or -) per hour.

Home care agencies are licensed by the Department of Health (DOH), and have contracts through the AAAs to provide in-home care services. Agencies are monitored annually by AAAs for contract compliance and are required to maintain standards of care for the program. A recent study by the Joint Legislative Audit and Review Committee (JLARC) found the quality assurance controls within the IPP are a cause for concern. The study indicated that "little external oversight authority exists to monitor IP performance, either within DSHS or the AAAs". Unlike the agency caregiver in the contracted program, the client is the only one who directly supervises the performance of the IPP employee and his/her on-going ability to deliver quality care. In contrast, agency supervisors are required to accompany their caregivers on home visits at least twice a year and evaluate the caregiver's performance, and check the client's situation. This is in addition to the annual AAA case manager visit.

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### **Summary of Substitute Bill:**

The DSHS is required to expand the scope of oversight to include the assessment of the quality of case management services being provided by the AAAs and must develop specific oversight assessments, monitoring requirements, and quality indicators for the AAAs providing case management services for clients receiving in-home care services.

Comprehensive new oversight responsibilities are established for the AAAs to enhance quality of care, better safety for clients, and more uniform and documented verification of the services that have been provided for consumers receiving care under the Medicaid Personal Care Program, Community Options Program Entry System, Chore Services Program, or the IPP. The AAAs are required to develop a plan of care for each consumer of service. The terms of the plan of care are specified including the requirement that the plan be distributed to the primary care provider, the individual care provider and other relevant providers. Consumers are given the opportunity to waive the right to case management services.

The AAAs and the DSHS are given the authority to terminate the contract between the department and the IP if it is found that the IP is performing inadequately, is unable to provide services, or is jeopardizing the health, safety, or well being of the client. The AAAs are also given the authority to reject a request to have a family member be the paid caregiver if the AAA believes that the family member will be unable to appropriately meet the needs of the client.

The Joint Legislative and Executive Task force on Long-term Care, Safety, Quality, and Oversight is allowed to expand its duties and look at the broader use of existing service delivery models, adequate compensation of persons providing in-home care making quality assurance an integral part of any system of in-home care.

The AAA case management ration is established at 90 clients to 1 case manager and an appropriation is requested.

**Substitute Bill Compared to Original Bill:** Wages - The hourly wage for all persons who provide state-funded long-term care services through a contract with the DSHS of \$.50 per hour and annual increases thereafter are eliminated.

Health Care Coverage - Also removed is the Health Care Authority directive to provide the Basic Health Plan to all home care agency employees who provide state-funded in-home care services.

Vendor Rate Equalization - The vendor rate increase to \$11.71 per hour for all home care agencies is eliminated.

Individual Provider Program (IPP) - Quality health, safety, and quality of care standards are modified for the IP in-home care program and the IPP client bill of rights is eliminated.

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**Appropriation:** Appropriates unspecified amount.

**Fiscal Note:** Requested on February 4, 1999.

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

**Testimony For:** (Original bill) This will increase the quality and safety of in-home care services and help establish a more stable work force.

**Testimony Against:** (Original bill) Younger disabled individuals who need in-home care but prefer more independence do not need the added oversight. Most of the provisions in the bill can be established by the department in rule.

**Testified:** (All testimony was on original bill) (Support) Peter Nazzal and Joan Bethel, Catholic Community Services; Bill Houston, Washington State Association of Home Care Services and CDM Home Care Services; JoEllen Jordan, personal service provider; Majken Ryherd Keira, Washington State Association of Home Care Services; Gail McGaffick, Home Care Association of Washington; Sarah Scanlon, SEIU; Lisa Garner, self; Bernice Meyer, Office and Professional Employees, Local #8; and Bruce Reeves, Senior Citizens Lobby.

(Support with changes) Dennis Mahar, Washington Association of Area Agencies on Aging.

(Oppose) Kathy Leitch, Department of Social and Health Services; Joe Whaley, self; Rod Bault, self; and Chaunce White, self.

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Health Care. Signed by 31 members: Representatives Huff, Republican Co-Chair; H. Sommers, Democratic Co-Chair; Alexander, Republican Vice Chair; Doumit, Democratic Vice Chair; D. Schmidt, Republican Vice Chair; Barlean; Benson; Boldt; Carlson; Clements; Cody; Crouse; Gombosky; Grant; Kagi; Keiser; Kenney; Lambert; Linville; Lisk; Mastin; McIntire; McMorris; Mulliken; Parlette; Regala; Rockefeller; Ruderman; Sullivan; Tokuda and Wensman.

**Staff:** Dave Johnson (786-7154).

**Summary of Recommendation of Committee on Appropriations Compared to Recommendation of Committee on Health Care:** The second substitute removes a provision that required the joint task force on long term care to expand the scope of its study to include in-home services. It also removed a provision that provided an appropriation and set the case management ratio at one to 90. If funding for the bill is not provided by June 30, 1999, in the omnibus appropriations act, the bill is null and void.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** Ninety days after adjournment of session in which bill is passed. However, the bill is null and void unless funded in the budget.

**Testimony For:** (Substitute bill) This bill would improve oversight of providers and quality assurance measures. We support increased funding because the Area Agencies on Aging perform an important role that we care about -- assuring quality treatment. Addressing the pay disparity (\$0.38 per hour) between agency providers is also important. That should be in the budget. Home care wages are an important part of the quality picture and need to be addressed too.

**Testimony Against:** (Substitute bill) Lowering the case manager ratio is a good first step, but we need to lower it more. We cannot support a case ratio higher than one to 85.

**Testified:** (In support) Majken Ryherd Keira, Washington State Association of Home Care Services; Gail McGaffick, Washington Home Care Association; Sarah Scanlon, SEIU; Pete Nazzell, Catholic Community Services; and Bruce Reeves, Senior Lobby.

(In support with concerns) Dennis Mahar, Washington Association of Area Agencies on Aging.

(Opposed) Kathy Leitch, Aging and Adult Services, Department of Social and Health Services.