

# SENATE BILL REPORT

## SHB 2152

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As Reported By Senate Committee On:  
Health & Long-Term Care, April 14, 1999

**Title:** An act relating to exceptional care and therapy care payment rates.

**Brief Description:** Concerning long-term care payment rates.

**Sponsors:** House Committee on Health Care (originally sponsored by Representatives Cody, Parlette, Van Luven, Conway and Edmonds).

**Brief History:**

**Committee Activity:** Health & Long-Term Care: 4/14/99 [DP].

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### SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

**Majority Report:** Do pass.

Signed by Senators Thibaudeau, Chair; Wojahn, Vice Chair; Costa, Deccio and Winsley.

**Staff:** Rhoda Jones (786-7198)

**Background:** The state's 269 Medicaid certified nursing facilities care for approximately 14,500 Medicaid clients, most of whom are elderly. Through Medicaid, the state pays for about two-thirds of the nursing home care in this state. The state reimburses nursing facilities for what they spend on Medicaid clients based on a formula called case mix.— This is a facility-specific rate triggered by assessments done on the facility's clients. The reimbursement system also pays nursing homes for other costs besides direct care, including operations, support services, property, and investments.

Payments for therapy services (occupational, physical, respiratory, mental health, and speech) are included in the daily direct care rate. The average payment for therapy care is 90 cents per patient day and is lidded based on a funding formula.

**Summary of Bill:** The Department of Social and Health Services is authorized to increase the direct care component rate allocation for certain residents who have unmet exceptional care needs. The department may establish criteria, patient categories, and methods of exceptional care payment by rule.

These exceptional rates are effective January 1, 2000 for residents under age 65, who are not eligible for Medicare, and are able to show significant progress in their functional status with intensive therapy care. These therapy expenses are a fee-for-service item paid by the Medical Assistance Administration (MAA) but authorized and case managed by Aging and Adult Services Administration (AASA). This is limited to 12 facilities that have demonstrated excellence in therapy care based on criteria defined by rule.

The department must report to the Legislature by December 12, 2002, on whether the exceptional care rates resulted in substantial progress in the residents' functional status and more expedient placement of residents in less expensive settings.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** This will help improve the chances for people who have serious disabilities to be able to leave nursing homes after intensive therapy.

**Testimony Against:** None.

**Testified:** PRO: Representative Eileen Cody; Nancy Holderman, DSHS; Jerry Reilly, WHCA; Nick Federici, WAHSA; Linda Hull, Sisters of Providence.