H-3172.2

# HOUSE BILL 2659

**State of Washington 56th Legislature 2000 Regular Session**

**By** Representatives Edmonds and Pflug

Read first time . Referred to Committee on .

1 AN ACT Relating to changes to the nursing facility payment system;
2 amending RCW 74.46.410, 74.46.421, 74.46.431, 74.46.515, and 74.46.521;
3 reenacting and amending RCW 74.46.511; and adding a new section to
4 chapter 74.46 RCW.

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

6 **Sec. 1.** RCW 74.46.410 and 1998 c 322 s 17 are each amended to read
7 as follows:
8 (1) Costs will be unallowable if they are not documented,
9 necessary, ordinary, and related to the provision of care services to
10 authorized patients.
11 (2) Unallowable costs include, but are not limited to, the
12 following:
13 (a) Costs of items or services not covered by the medical care
14 program. Costs of such items or services will be unallowable even if
15 they are indirectly reimbursed by the department as the result of an
16 authorized reduction in patient contribution;
17 (b) Costs of services and items provided to recipients which are
18 covered by the department's medical care program but not included in

the medicaid per-resident day payment rate established by the department under this chapter;

(c) Costs associated with a capital expenditure subject to section 1122 approval (part 100, Title 42 C.F.R.) if the department found it was not consistent with applicable standards, criteria, or plans. If the department was not given timely notice of a proposed capital expenditure, all associated costs will be unallowable up to the date they are determined to be reimbursable under applicable federal regulations;

(d) Costs associated with a construction or acquisition project requiring certificate of need approval, or exemption from the requirements for certificate of need for the replacement of existing nursing home beds, pursuant to chapter 70.38 RCW if such approval or exemption was not obtained;

(e) Interest costs other than those provided by RCW 74.46.290 on and after January 1, 1985;

(f) Salaries or other compensation of owners, officers, directors, stockholders, partners, principals, participants, and others associated with the contractor or its home office, including all board of directors' fees for any purpose, except reasonable compensation paid for service related to patient care;

(g) Costs in excess of limits or in violation of principles set forth in this chapter;

(h) Costs resulting from transactions or the application of accounting methods which circumvent the principles of the payment system set forth in this chapter;

(i) Costs applicable to services, facilities, and supplies furnished by a related organization in excess of the lower of the cost to the related organization or the price of comparable services, facilities, or supplies purchased elsewhere;

(j) Bad debts of non-Title XIX recipients. Bad debts of Title XIX recipients are allowable if the debt is related to covered services, it arises from the recipient's required contribution toward the cost of care, the provider can establish that reasonable collection efforts were made, the debt was actually uncollectible when claimed as worthless, and sound business judgment established that there was no likelihood of recovery at any time in the future;

(k) Charity and courtesy allowances;

(l) Cash, assessments, or other contributions, excluding dues, to charitable organizations, professional organizations, trade associations, or political parties, and costs incurred to improve community or public relations;

(m) Vending machine expenses;

(n) Expenses for barber or beautician services not included in routine care;

(o) Funeral and burial expenses;

(p) Costs of gift shop operations and inventory;

(q) Personal items such as cosmetics, smoking materials, newspapers and magazines, and clothing, except those used in patient activity programs;

(r) Fund-raising expenses, except those directly related to the patient activity program;

(s) Penalties and fines;

(t) Expenses related to telephones, televisions, radios, and similar appliances in patients' private accommodations;

(u) Federal, state, and other income taxes;

(v) Costs of special care services except where authorized by the department;

(w) Expenses of an employee benefit not in fact made available to all employees on an equal or fair basis, for example, key-man insurance and other insurance or retirement plans;

(x) Expenses of profit-sharing plans;

(y) Expenses related to the purchase and/or use of private or commercial airplanes which are in excess of what a prudent contractor would expend for the ordinary and economic provision of such a transportation need related to patient care;

(z) Personal expenses and allowances of owners or relatives;

(aa) All expenses of maintaining professional licenses or membership in professional organizations;

(bb) Costs related to agreements not to compete;

(cc) Amortization of goodwill, lease acquisition, or any other intangible asset, whether related to resident care or not, and whether recognized under generally accepted accounting principles or not;

(dd) Expenses related to vehicles which are in excess of what a prudent contractor would expend for the ordinary and economic provision of transportation needs related to patient care;

(ee) Legal and consultant fees in connection with a fair hearing against the department where a decision is rendered in favor of the department or where otherwise the determination of the department stands;

(ff) Legal and consultant fees of a contractor or contractors in connection with a lawsuit against the department;

(gg) Lease acquisition costs, goodwill, the cost of bed rights, or any other intangible assets;

(hh) All rental or lease costs other than those provided in RCW 74.46.300 on and after January 1, 1985;

(ii) Postsurvey charges incurred by the facility as a result of subsequent inspections under RCW 18.51.050 which occur beyond the first postsurvey visit during the certification survey calendar year;

(jj) Compensation paid for any purchased nursing care services, including registered nurse, licensed practical nurse, and nurse assistant services, obtained through service contract arrangement in excess of the amount of compensation paid for such hours of nursing care service had they been paid at the average hourly wage, including related taxes and benefits, for in-house nursing care staff of like classification at the same nursing facility, as reported in the most recent cost report period;

(kk) For all partial or whole rate periods after July 17, 1984, costs of land and depreciable assets that cannot be reimbursed under the Deficit Reduction Act of 1984 and implementing state statutory and regulatory provisions;

(ll) Costs reported by the contractor for a prior period to the extent such costs, due to statutory exemption, will not be incurred by the contractor in the period to be covered by the rate;

(mm) Costs of outside activities, for example, costs allocated to the use of a vehicle for personal purposes or related to the part of a facility leased out for office space;

(nn) Travel expenses outside the states of Idaho, Oregon, and Washington and the province of British Columbia. However, travel to or from the home or central office of a chain organization operating a nursing facility is allowed whether inside or outside these areas if the travel is necessary, ordinary, and related to resident care;

(oo) Moving expenses of employees in the absence of demonstrated, good-faith effort to recruit within the states of Idaho, Oregon, and Washington, and the province of British Columbia;

(pp) Depreciation in excess of four thousand dollars per year for each passenger car or other vehicle primarily used by the administrator, facility staff, or central office staff;

(qq) Costs for temporary health care personnel from a nursing pool not registered with the secretary of the department of health;

(rr) Payroll taxes associated with compensation in excess of allowable compensation of owners, relatives, and administrative personnel;

(ss) Costs and fees associated with filing a petition for bankruptcy;

(tt) All advertising or promotional costs, except reasonable costs of help wanted advertising;

(uu) Outside consultation expenses required to meet department-required minimum data set completion proficiency;

(vv) Interest charges assessed by any department or agency of this state for failure to make a timely refund of overpayments and interest expenses incurred for loans obtained to make the refunds; and

(ww) ((~~All home office or central office costs, whether on or off the nursing facility premises, and whether allocated or not to specific services, in excess of the median of those adjusted costs for all facilities reporting such costs for the most recent report period; and~~

~~(xx)~~)) Tax expenses that a nursing facility has never incurred.

**Sec. 2.** RCW 74.46.421 and 1999 c 353 s 3 are each amended to read as follows:

(1) The purpose of part E of this chapter is to determine nursing facility medicaid payment rates that, in the aggregate for all participating nursing facilities, are in accordance with the biennial appropriations act.

(2)(a) The department shall use the nursing facility medicaid payment rate methodologies described in this chapter to determine initial component rate allocations for each medicaid nursing facility.

(b) The initial component rate allocations shall be subject to adjustment as provided in this section in order to assure that the state-wide average payment rate to nursing facilities is less than or equal to the state-wide average payment rate specified in the biennial appropriations act.

(3) Nothing in this chapter shall be construed as creating a legal right or entitlement to any payment that (a) has not been adjusted

1 under this section or (b) would cause the state-wide average payment
2 rate to exceed the state-wide average payment rate specified in the
3 biennial appropriations act.
4 (4)(a) The state-wide average payment rate for the capital portion
5 of the rate for any state fiscal year under the nursing facility
6 medicaid payment system, weighted by patient days, shall not exceed the
7 annual state-wide weighted average nursing facility payment rate for
8 the capital portion of the rate identified for that fiscal year in the
9 biennial appropriations act.
10 (b) If the department determines that the weighted average nursing
11 facility payment rate for the capital portion of the rate calculated in
12 accordance with this chapter is likely to exceed the weighted average
13 nursing facility payment rate for the capital portion of the rate
14 identified in the biennial appropriations act, then the department
15 shall adjust all nursing facility property and financing allowance
16 payment rates proportional to the amount by which the weighted average
17 rate allocations would otherwise exceed the budgeted capital portion of
18 the rate amount. Any such adjustments shall only be made
19 prospectively, not retrospectively, and shall be applied
20 proportionately to each component rate allocation for each facility.
21 (c) Any rate adjustments made under (b) of this subsection that are
22 in excess of the amount necessary to comply with (a) of this subsection
23 shall be refunded to each nursing facility.
24 (5)(a) The state-wide average payment rate for the noncapital
25 portion of the rate, excluding the tax component, for any state fiscal
26 year under the nursing facility payment system, weighted by patient
27 days, shall not exceed the annual state-wide weighted average nursing
28 facility payment rate for the noncapital portion of the rate identified
29 for that fiscal year in the biennial appropriations act.
30 (b) If the department determines that the weighted average nursing
31 facility payment rate for the noncapital portion of the rate calculated
32 in accordance with this chapter is likely to exceed the weighted
33 average nursing facility payment rate for the noncapital portion of the
34 rate identified in the biennial appropriations act, then the department
35 shall adjust all nursing facility direct care, therapy care, support
36 services, operations, and variable return payment rates proportional to
37 the amount by which the weighted average rate allocations would
38 otherwise exceed the budgeted noncapital portion of the rate amount.
39 Any such adjustments shall only be made prospectively, not

retrospectively, and shall be applied proportionately to each direct care, therapy care, support services, operations, and variable return rate allocation for each facility.

(c) Any rate adjustments made under (b) of this subsection that are in excess of the amount necessary to comply with (a) of this subsection shall be refunded to each nursing facility.

**Sec. 3.** RCW 74.46.431 and 1999 c 353 s 4 are each amended to read as follows:

(1) Effective July 1, 1999, nursing facility medicaid payment rate allocations shall be facility-specific and shall have ((~~seven~~)) eight components: Direct care, therapy care, support services, tax, operations, property, financing allowance, and variable return. The department shall establish and adjust each of these components, as provided in this section and elsewhere in this chapter, for each medicaid nursing facility in this state.

(2) All component rate allocations, excluding the tax component, shall be based upon a minimum facility occupancy of eighty-five percent of licensed beds, regardless of how many beds are set up or in use.

(3) Information and data sources used in determining medicaid payment rate allocations, including formulas, procedures, cost report periods, resident assessment instrument formats, resident assessment methodologies, and resident classification and case mix weighting methodologies, may be substituted or altered from time to time as determined by the department.

(4)(a) Direct care component rate allocations shall be established using adjusted cost report data covering at least six months. Adjusted cost report data from 1996 will be used for October 1, 1998, through June 30, 2001, direct care component rate allocations; adjusted cost report data from 1999 will be used for July 1, 2001, through June 30, 2004, direct care component rate allocations.

(b) Beginning July 1, 2000, and for all subsequent July 1st nonrebased direct care component rate allocations, based on ((~~1996~~))the rebase year cost report data, direct care component rate allocations shall be adjusted ((~~annually~~)) for economic trends and conditions by ((~~a factor or factors defined in the biennial appropriations act~~)) the change in the nursing home input price index without capital costs published by the health care financing administration of the department of health and human services (HCFA index). The period to be used to

measure the HCFA index increase or decrease shall be the calendar year immediately preceding the July 1st nonrebased rate period. A different economic trends and conditions adjustment factor or factors may be defined in the biennial appropriations act for facilities whose direct care component rate is set equal to their adjusted June 30, 1998, rate, as provided in RCW 74.46.506(5)(k).

(c) Beginning July 1, 2001, and for all subsequent July 1st rebased direct care component rate allocations based on ((~~1999~~)) the rebase year cost report data shall be adjusted ((~~annually~~)) for economic trends and conditions by ((~~a factor or factors defined in the biennial appropriations act~~)) the change in the HCFA index for the calendar year that immediately precedes the July 1st rebased rate period, multiplied by a factor of 2.0. A different economic trends and conditions adjustment factor or factors may be defined in the biennial appropriations act for facilities whose direct care component rate is set equal to their adjusted June 30, 1998, rate, as provided in RCW 74.46.506(5)(k).

(5)(a) Therapy care component rate allocations shall be established using adjusted cost report data covering at least six months. Adjusted cost report data from 1996 will be used for October 1, 1998, through June 30, 2001, therapy care component rate allocations; adjusted cost report data from 1999 will be used for July 1, 2001, through June 30, 2004, therapy care component rate allocations.

(b) Beginning July 1, 2000, and for all subsequent July 1st nonrebased therapy care component rate allocations shall be adjusted ((~~annually~~)) for economic trends and conditions by a ((~~factor or factors defined in the biennial appropriations act~~)) change in the nursing home price input without capital costs published by the health care financing administration of the department of health and human services (HCFA index). The period to be used to measure the HCFA index increase or decrease shall be the calendar year immediately preceding the July 1st nonrebased rate period.

(c) Beginning July 1, 2001, and for all subsequent July 1st rebased support services component rate allocations, the rebase period cost report data shall be adjusted for economic trends and conditions by the change in the HCFA index for the calendar year that immediately precedes the July 1st rebased rate period, multiplied by a factor of 2.0.

(6)(a) Support services component rate allocations shall be established using adjusted cost report data covering at least six months. Adjusted cost report data from 1996 shall be used for October 1, 1998, through June 30, 2001, support services component rate allocations; adjusted cost report data from 1999 shall be used for July 1, 2001, through June 30, 2004, support services component rate allocations.

(b) Beginning July 1, 2000, and for all subsequent July 1st nonrebased support services component rate allocations shall be adjusted ((~~annually~~)) for economic trends and conditions by a ((~~factor or factors defined in the biennial appropriations act~~)) change in the nursing home price input without capital costs published by the health care financing administration of the department of health and human services (HCFA index). The period to be used to measure the HCFA index increase or decrease shall be the calendar year immediately preceding the July 1st nonrebased rate period.

(c) Beginning July 1, 2001, and for all subsequent July 1st rebased support services component rate allocations, the rebase period cost report data shall be adjusted for economic trends and conditions by the change in the HCFA index for the calendar year that immediately precedes the July 1st rebased rate period, multiplied by a factor of 2.0.

(7)(a) Operations component rate allocations shall be established using adjusted cost report data covering at least six months. Adjusted cost report data from 1996 shall be used for October 1, 1998, through June 30, 2001, operations component rate allocations; adjusted cost report data from 1999 shall be used for July 1, 2001, through June 30, 2004, operations component rate allocations.

(b) Beginning July 1, 2000, and for all subsequent July 1st nonrebased operations component rate allocations shall be adjusted ((~~annually~~)) for economic trends and conditions by a ((~~factor or factors defined in the biennial appropriations act~~)) change in the nursing home price input without capital costs published by the health care financing administration of the department of health and human services (HCFA index). The period to be used to measure the HCFA index increase or decrease shall be the calendar year immediately preceding the July 1st nonrebased rate period.

(c) Beginning July 1, 2001, and for all subsequent July 1st rebased operations component rate allocations, the rebase period cost report

1 data shall be adjusted for economic trends and conditions by the change
2 in the HCFA index for the calendar year that immediately precedes the
3 July 1st rebased rate period, multiplied by a factor of 2.0.
4 (8) ((~~For July 1, 1998, through September 30, 1998, a facility's~~
5 ~~property and return on investment component rates shall be the~~
6 ~~facility's June 30, 1998, property and return on investment component~~
7 ~~rates, without increase.~~)) For October 1, 1998, through June 30, 1999,
8 a facility's property and ((~~return on investment~~)) financing allowance
9 component rates shall be rebased utilizing 1997 adjusted cost report
10 data covering at least six months of data.
11 (9) Total payment rates under the nursing facility medicaid payment
12 system shall not exceed facility rates charged to the general public
13 for comparable services.
14 (10) Medicaid contractors shall pay to all facility staff a minimum
15 wage of the greater of ((~~five dollars and fifteen cents per hour or~~))
16 the state or federal minimum wage. To the extent that the percentage
17 change in the HCFA index, specified in this section, is less than the
18 annual percentage change in the state or federal minimum wage
19 requirement, and notwithstanding any peer group cost limitations, the
20 department shall prospectively adjust each contractor's rate component
21 to fund the medicaid share of any such increase in the minimum wage
22 amount, including any related parity wage adjustments that a contractor
23 may make. However, any related parity wage adjustment that a
24 contractor may make as a result of an increase in the state or federal
25 minimum wage, the medicaid share shall be no greater than the
26 percentage change between the federal or state required minimum wage
27 increase and only to the extent that the percentage change in the
28 minimum wage exceeds the percentage change in the HCFA index as
29 specified in this section.
30 (11) The department shall establish in rule procedures, principles,
31 and conditions for determining component rate allocations for
32 facilities in circumstances not directly addressed by this chapter,
33 including but not limited to: The need to prorate inflation for
34 partial-period cost report data, newly constructed facilities, existing
35 facilities entering the medicaid program for the first time or after a
36 period of absence from the program, existing facilities with expanded
37 new bed capacity, existing medicaid facilities following a change of
38 ownership of the nursing facility business, facilities banking beds or
39 converting beds back into service, facilities having less than six

months of either resident assessment, cost report data, or both, under the current contractor prior to rate setting, and other circumstances.

(12) The department shall establish in rule procedures, principles, and conditions, including necessary threshold costs, for adjusting rates to reflect capital improvements or new requirements imposed by the department or the federal government. Any such rate adjustments are subject to the provisions of RCW 74.46.421.

(13) Prior to the July 1st rate period, the department shall recalculate any medians that may be affected by removing the home office or central office cost limitation under RCW 74.46.410 and taxes paid under section 7 of this act.

(14) Following each July 1st rebased rate period, the department shall, by the immediately following July 1st nonrebased rate period, recalculate any medians affected by any appeals or errors or omissions made under this chapter and shall make any necessary rate adjustments.

**Sec. 4.** RCW 74.46.511 and 1999 c 353 s 6 and 1999 c 181 s 3 are each reenacted and amended to read as follows:

(1) The therapy care component rate allocation corresponds to the provision of medicaid one-on-one therapy provided by a qualified therapist as defined in this chapter, including therapy supplies and therapy consultation, for one day for one medicaid resident of a nursing facility. The therapy care component rate allocation for October 1, 1998, through June 30, 2001, shall be based on adjusted therapy costs and days from calendar year 1996. The therapy component rate allocation for July 1, 2001, through June 30, 2004, shall be based on adjusted therapy costs and days from calendar year 1999. The therapy care component rate shall be adjusted for economic trends and conditions as specified in RCW 74.46.431(5) (b) and (c), and shall be determined in accordance with this section.

(2) In rebasing, as provided in RCW 74.46.431(5)(a), the department shall take from the cost reports of facilities the following reported information:

(a) Direct one-on-one therapy charges for all residents by payer including charges for supplies;

(b) The total units or modules of therapy care for all residents by type of therapy provided, for example, speech or physical. A unit or module of therapy care is considered to be fifteen minutes of one-on-one therapy provided by a qualified therapist or support personnel; and

(c) Therapy consulting expenses for all residents.

(3) The department shall determine for all residents the total cost per unit of therapy for each type of therapy by dividing the total adjusted one-on-one therapy expense for each type by the total units provided for that therapy type.

(4) The department shall divide medicaid nursing facilities in this state into two peer groups:

(a) Those facilities located within a metropolitan statistical area; and

(b) Those not located in a metropolitan statistical area.

Metropolitan statistical areas and nonmetropolitan statistical areas shall be as determined by the United States office of management and budget or other applicable federal office. The department shall array the facilities in each peer group from highest to lowest based on their total cost per unit of therapy for each therapy type. The department shall determine the median total cost per unit of therapy for each therapy type and add ten percent of median total cost per unit of therapy. The cost per unit of therapy for each therapy type at a nursing facility shall be the lesser of its cost per unit of therapy for each therapy type or the median total cost per unit plus ten percent for each therapy type for its peer group.

(5) The department shall calculate each nursing facility's therapy care component rate allocation as follows:

(a) To determine the allowable total therapy cost for each therapy type, the allowable cost per unit of therapy for each type of therapy shall be multiplied by the total therapy units for each type of therapy;

(b) The medicaid allowable one-on-one therapy expense shall be calculated taking the allowable total therapy cost for each therapy type times the medicaid percent of total therapy charges for each therapy type;

(c) The medicaid allowable one-on-one therapy expense for each therapy type shall be divided by total adjusted medicaid days to arrive at the medicaid one-on-one therapy cost per patient day for each therapy type;

(d) The medicaid one-on-one therapy cost per patient day for each therapy type shall be multiplied by total adjusted patient days for all residents to calculate the total allowable one-on-one therapy expense. The lesser of the total allowable therapy consultant expense for the

therapy type or a reasonable percentage of allowable therapy consultant expense for each therapy type, as established in rule by the department, shall be added to the total allowable one-on-one therapy expense to determine the allowable therapy cost for each therapy type;

(e) The allowable therapy cost for each therapy type shall be added together, the sum of which shall be the total allowable therapy expense for the nursing facility;

(f) The total allowable therapy expense will be divided by the greater of adjusted total patient days from the cost report on which the therapy expenses were reported, or patient days at eighty-five percent occupancy of licensed beds. The outcome shall be the nursing facility's therapy care component rate allocation.

(6) The therapy care component rate allocations calculated in accordance with this section shall be adjusted to the extent necessary to comply with RCW 74.46.421.

(7) The therapy care component rate shall be suspended for medicaid residents in qualified nursing facilities designated by the department who are receiving therapy paid by the department outside the facility daily rate under RCW 74.46.508(2).

**Sec. 5.** RCW 74.46.515 and 1999 c 353 s 7 are each amended to read as follows:

(1) The support services component rate allocation corresponds to the provision of food, food preparation, dietary, housekeeping, and laundry services for one resident for one day.

(2) Beginning October 1, 1998, the department shall determine each medicaid nursing facility's support services component rate allocation using cost report data specified by RCW 74.46.431(6)(a).

(3) Beginning July 1, 2000, to determine each facility's support services component rate allocation, the department shall:

(a) Array facilities' adjusted support services costs per adjusted resident day for each facility from facilities' cost reports from the applicable report year, for facilities located within a metropolitan statistical area, and for those not located in any metropolitan statistical area and determine the median adjusted cost for each peer group;

(b) Set each facility's support services component rate at the lower of the facility's per resident day adjusted support services costs from the applicable cost report period or the adjusted median per

resident day support services cost for that facility's peer group, either metropolitan statistical area or nonmetropolitan statistical area, plus ten percent; and

(c) Adjust each facility's support services component rate for economic trends and conditions as provided in RCW 74.46.431(6) (b) and (c).

(4) The support services component rate allocations calculated in accordance with this section shall be adjusted to the extent necessary to comply with RCW 74.46.421.

**Sec. 6.** RCW 74.46.521 and 1999 c 353 s 8 are each amended to read as follows:

(1) The operations component rate allocation corresponds to the general operation of a nursing facility for one resident for one day, including but not limited to management, administration, utilities, office supplies, accounting and bookkeeping, minor building maintenance, minor equipment repairs and replacements, and other supplies and services, exclusive of taxes paid under section 7 of this act, direct care, therapy care, support services, property, financing allowance, and variable return.

(2) Beginning October 1, 1998, the department shall determine each medicaid nursing facility's operations component rate allocation using cost report data specified by RCW 74.46.431(7)(a).

(3) Beginning July 1, 2000, to determine each facility's operations component rate the department shall:

(a) Array facilities' adjusted general operations costs per adjusted resident day for each facility from facilities' cost reports from the applicable report year, for facilities located within a metropolitan statistical area and for those not located in a metropolitan statistical area and determine the median adjusted cost for each peer group;

(b) Set each facility's operations component rate at the lower of the facility's per resident day adjusted operations costs from the applicable cost report period or the adjusted median per resident day general operations cost for that facility's peer group, metropolitan statistical area or nonmetropolitan statistical area; and

(c) Adjust each facility's operations component rate for economic trends and conditions as provided in RCW 74.46.431(7) (b) and (c).

1 (4) The operations component rate allocations calculated in
2 accordance with this section shall be adjusted to the extent necessary
3 to comply with RCW 74.46.421.

4 NEW SECTION. **Sec. 7.** A new section is added to chapter 74.46 RCW
5 to read as follows:
6 (1) The tax component rate allocation corresponds to the real
7 estate, personal property, and business and occupation taxes assessed
8 by the department of revenue against a nursing facility.
9 (2) Beginning July 1, 2000, and on each July 1st thereafter, the
10 department shall determine each medicaid nursing facility's tax
11 component rate allocation, as applicable, using cost report data from
12 the immediately preceding calendar year.
13 (3) The tax component rate allocation shall be a per resident day
14 amount that is proportionate to the nursing facility's medicaid
15 resident days to total actual days during the immediately preceding
16 cost report year.
17 (4) The tax component rate allocations calculated in accordance
18 with this section shall not be adjusted under RCW 74.46.421.

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