

HOUSE BILL REPORT

2EHB 2458

As Passed House:

March 14, 2002

Title: An act relating to licensing fees for adult family homes.

Brief Description: Concerning adult family homes.

Sponsors: By Representative Sommers; by request of Department of Social and Health Services.

Brief History:

Committee Activity:

Appropriations: 1/29/02.

Floor Activity:

Passed House: 3/14/02, 54-44.

Brief Summary of Second Engrossed Bill

- The Department of Social and Health Services (DSHS) will increase adult family home licensing fees from \$50 per facility to \$125 per facility and will increase the processing fees that adult family homes are charged for initial licensing from \$50 to \$125.
- No DSHS employee will discriminate or retaliate against adult family home operators or employees because the operator or employee made a complaint against the department or any of its employees.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority/Minority Report: None.

Staff: Bernard Dean (786-7130).

Background:

There are 2,200 adult family homes in Washington providing long-term care services to approximately 3,300 Medicaid clients. Adult family homes provide personal care, special care, room, and board to between two and six adults who are not related by blood or by marriage to the person or persons providing the services.

Licensing fees for adult family homes are established under statute at \$50 per facility per year.

Summary of Second Engrossed Bill:

The Department of Social and Health Services (DSHS) will increase adult family home licensing fees to \$125 per facility from \$50 per facility per year for each home. Additionally, the processing fees that are charged to each adult family home when the home is initially licensed is increased from \$50 to \$125.

No DSHS employee will discriminate or retaliate against an adult family home operator or employee on the basis or for the reason that the operator or employee made a complaint against the department or any of its employees.

Appropriation: None.

Fiscal Note: Requested on January 17, 2002.

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

Testimony For: The adult family home licensing fee of \$50 was established in 1989 and has not been raised since then. During that same period, the bed fee paid by both boarding homes and nursing homes has changed.

Testimony Against: This bill and the Governor's proposal increase the current licensing fee from a facility rate of \$50 per year to a 3,000 percent increase of \$1,458 a year. Adult family homes cannot afford this increase. Much of these costs will be passed onto private pay residents causing a spend down effect and forcing more people on to state assistance sooner, which will cost the state more money. More homes are refusing to take medicaid residents because they are unable to afford to lose the money. This increase will cause more medicaid displacement or further erode the medicaid resident's choice of homes with experienced providers. Within the medicaid care system of compensation, people with developmental disabilities usually have their services compensated at the lowest possible levels. It is a four level system and most people with developmental disabilities have their services compensated at levels one and two which puts them in greatest jeopardy of having their services affected or removed. Ninety-seven percent of providers say they will not renew their license with this increase and all of the providers say they will displace medicaid residents.

Testified: (Supports) Pat Lashway, Department of Social and Health Services.

(Opposed) Bill Day, Adult Family Home Association; Craig Fredrickson, Adult Family Home Association; and Audry Woodin, Washington State Residential Care Council.

