

SENATE BILL REPORT

SB 6752

As Reported By Senate Committee On:
Health & Long-Term Care, February 7, 2002

Title: An act relating to unallowable costs under the nursing facility medicaid payment system.

Brief Description: Allowing lease costs to be reimbursed under the nursing facility medicaid payment system.

Sponsors: Senators Thibaudeau, Fraser and Hale.

Brief History:

Committee Activity: Health & Long-Term Care: 2/7/02 [DP].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass and be referred to Committee on Ways & Means.
Signed by Senators Thibaudeau, Chair; Costa, Deccio and Fraser.

Staff: Rhoda Donkin (786-7198)

Background: Nursing homes providing long-term care services to Medicaid clients are reimbursed by the state according to a payment system that is established in statute and administered by the Department of Social and Health Services. When these rates are calculated they are based, in part, on what nursing homes spend. Certain costs are included in this calculation, such as documented, necessary medical care costs. Other costs are not, such as the salaries of owners, funeral expenses, and rental costs other than office equipment. Allowed and unallowed costs are listed in statute.

Summary of Bill: Minor rental costs which are necessary for operating the facility are included as allowable costs when calculating reimbursement rates.

Appropriation: None.

Fiscal Note: Requested on February 3, 2002.

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

Testimony For: Renting equipment is cheaper than buying it. This will save the state money.

Testimony Against: Rental costs over the long term would be more expensive than outright purchasing equipment.

Testified: PRO: Rick Guthrie, Hilltop Health Care; CON: Tom Kearns, DSHS, AG&AD.