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HOUSE BILL 2706

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State of Washington

57th Legislature

2002 Regular Session

By Representatives Edwards and Skinner

Read first time 01/24/2002. Referred to Committee on Health Care.

1 AN ACT Relating to payment rates for home and community services;  
2 and amending RCW 74.39A.030.

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

4 **Sec. 1.** RCW 74.39A.030 and 2002 c 3 s 10 (Initiative Measure No.  
5 775) are each amended to read as follows:

6 (1) To the extent of available funding, the department shall expand  
7 cost-effective options for home and community services for consumers  
8 for whom the state participates in the cost of their care.

9 (2) In expanding home and community services, the department shall:

10 (a) Take full advantage of federal funding available under Title XVIII  
11 and Title XIX of the federal social security act, including home  
12 health, adult day care, waiver options, and state plan services; and

13 (b) be authorized to use funds available under its community options  
14 program entry system waiver granted under section 1915(c) of the  
15 federal social security act to expand the availability of in-home,  
16 adult residential care, adult family homes, enhanced adult residential  
17 care, and assisted living services. By June 30, 1997, the department  
18 shall undertake to reduce the nursing home medicaid census by at least  
19 one thousand six hundred by assisting individuals who would otherwise

1 require nursing facility services to obtain services of their choice,  
2 including assisted living services, enhanced adult residential care,  
3 and other home and community services. If a resident, or his or her  
4 legal representative, objects to a discharge decision initiated by the  
5 department, the resident shall not be discharged if the resident has  
6 been assessed and determined to require nursing facility services. In  
7 contracting with nursing homes and boarding homes for enhanced adult  
8 residential care placements, the department shall not require, by  
9 contract or through other means, structural modifications to existing  
10 building construction.

11 (3)(a) The department shall by rule establish payment rates for  
12 home and community services that support the provision of cost-  
13 effective care. In the event of any conflict between any such rule and  
14 a collective bargaining agreement entered into under sections 6 and 9,  
15 chapter 3 (Initiative Measure No. 775), Laws of 2002, the collective  
16 bargaining agreement prevails.

17 (b) The department may authorize an enhanced adult residential care  
18 rate for nursing homes that temporarily or permanently convert their  
19 bed use for the purpose of providing enhanced adult residential care  
20 under chapter 70.38 RCW, when the department determines that payment of  
21 an enhanced rate is cost-effective and necessary to foster expansion of  
22 contracted enhanced adult residential care services. As an incentive  
23 for nursing homes to permanently convert a portion of its nursing home  
24 bed capacity for the purpose of providing enhanced adult residential  
25 care, the department may authorize a supplemental add-on to the  
26 enhanced adult residential care rate.

27 (c) The department may authorize a supplemental assisted living  
28 services rate for up to four years for facilities that convert from  
29 nursing home use and do not retain rights to the converted nursing home  
30 beds under chapter 70.38 RCW, if the department determines that payment  
31 of a supplemental rate is cost-effective and necessary to foster  
32 expansion of contracted assisted living services.

33 (d) The department may not implement any payment rate methodology  
34 that will increase administrative costs for the department or providers  
35 beyond the administrative costs associated with the rate methodology in  
36 effect as of January 1, 2002. The department may not implement any new  
37 licensing rules or resident service standards that will increase the  
38 costs to providers, except to the extent that the costs associated with

- 1 any such rules or service standards are fully incorporated through
- 2 adjustments to the existing payment rates.

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