

VETO MESSAGE ON SHB 2242

June 11, 2001

To the Honorable Speakers and Members,

The House of Representatives of the State of Washington
Ladies and Gentlemen:

I am returning herewith, without my approval as to section 19, Substitute House Bill No. 2242 entitled:

"AN ACT Relating to Medicaid nursing home rates;"

Substitute House Bill No. 2242 modifies the current nursing home reimbursement formula, directs the Department of Social and Health Services to convene a study regarding issues related to nursing homes rates, and establishes a joint legislative task force to monitor and evaluate this issue and submit a report to the Legislature by December 1, 2003.

Section 19 of the bill would have allowed transfers of nursing home Certificates of Need (CONs) via bankruptcy without a review of whether subsequent operators meet CON criteria. Without a CON review, there would be no assurances that the new operator has the expertise or financial wherewithal to provide adequate resident care.

Over the past several years, as a policy objective to help move nursing home residents toward housing more integrated in our communities, the Legislature has directed the Department of Health to reduce the number of nursing home beds approved through the CON process. Currently, a bankruptcy means that the Department of Health has an opportunity to reconsider its issuance of a CON. Section 19 would have allowed construction of nursing home beds to continue, without affording the Department the opportunity to reevaluate the need for the beds.

For these reasons, I have vetoed section 19 of Substitute House Bill No. 2242.

With the exception of section 19, Substitute House Bill No. 2242 is approved.

Respectfully submitted,
Gary Locke
Governor