

2242-S

Sponsor(s): House Committee on Appropriations (originally sponsored by Representatives Cody, Lisk, Ruderman, Alexander and Eickmeyer)

Brief Description: Revising provisions for medicaid nursing home rates.

**HB 2242-S - DIGEST**

(DIGEST AS ENACTED)

Revises provisions for medicaid nursing home rates.

Provides that the total capital authorization available for any biennial period shall be specified in the biennial appropriations act and shall be calculated on an annual basis. When setting the capital authorization level, the legislature shall consider both the need for, and the cost of, new and replacement beds.

Requires the department to establish rules for issuing a certificate of capital authorization. Applications for a certificate of capital authorization shall be submitted and approved on a biennial basis. The rules for a certificate of capital authorization shall be consistent with the following principles: (1) The certificate of capital authorization shall be approved on a first-come, first-served basis.

(2) Those projects that do not receive approval in one authorization period shall have priority the following biennium should the project be resubmitted.

(3) The department shall have the authority to give priority for a project that is necessitated by an emergency situation even if the project is not submitted in a timely fashion. The department shall establish rules for determining what constitutes an emergency.

(4) The department shall establish deadlines for progress and the department shall have the authority to withdraw the certificate of capital authorization where the holder of the certificate has not complied with those deadlines in a good faith manner.

Creates the joint legislative task force on nursing home rates.

Provides that the task force shall: (1) Consider reports from nursing home organizations, consumers of long-term care services, and the department of social and health services on key issues in the delivery of nursing home care in various areas of the state;

(2) Assess the alternative approaches for linking case-mix scores with service hours and costs developed in accordance with section 18 of this act;

(3) Approve the proposed study plans, and review the reports on nursing home access, quality of care, quality of resident life, and employee wage and benefit levels, which are to be submitted in accordance with section 18 of this act;

(4) Review the report which is to be prepared in accordance with this act on the need for additional case mix groupings and weights; and

(5) Consider the evaluation of rebasing alternatives conducted

in accordance with this act.

Requires the task force to complete its review and submit its recommendations to the appropriate policy and fiscal committees of the legislature by December 1, 2003.

Expires December 31, 2003.

Repeals RCW 74.46.908.

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