

2SSB 5341 - S AMD 453

By Senators Rossi, Winsley

ADOPTED 06/04/2003

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The definitions in this section apply
4 throughout this chapter unless the context clearly requires otherwise.

5 (1) "Department" means the department of revenue.

6 (2) "Gross income" means all revenue, without deduction, that is
7 derived from the performance of nursing facility services. "Gross
8 income" does not include other operating revenue or nonoperating
9 revenue.

10 (3) "Other operating revenue" means income from nonpatient care
11 services to patients, as well as sales and activities to persons other
12 than patients. It is derived in the course of operating the facility,
13 such as providing personal laundry service for patients, or from other
14 sources such as meals provided to persons other than patients, personal
15 telephones, gift shops, and vending machine commissions.

16 (4) "Nonoperating revenue" means income from activities not
17 relating directly to the day-to-day operations of an organization.
18 "Nonoperating revenue" includes such items as gains on disposal of a
19 facility's assets, dividends, and interest from security investments,
20 gifts, grants, and endowments.

21 (5) "Patient day" means a calendar day of care provided to a
22 nursing facility resident, excluding a medicare patient day. Patient
23 days include the day of admission and exclude the day of discharge;
24 except that, when admission and discharge occur on the same day, one
25 day of care shall be deemed to exist.

26 (6) "Medicare patient day" means a patient day for medicare
27 beneficiaries on a medicare Part A stay and a patient day for persons
28 who have opted for managed care coverage using their medicare benefit.

29 (7) "Nonexempt nursing facility" means a nursing facility that is

1 not exempt from the quality maintenance fee under section 4 of this
2 act.

3 (8) "Nursing facility" has the same meaning as the term is defined
4 in RCW 18.51.010; it does not include a boarding home as defined in RCW
5 18.20.020 or an adult family home as defined in RCW 70.128.010.

6 (9) "Nursing facility operator" means a person who engages in the
7 business of operating a nursing facility or facilities within this
8 state.

9 (10) "Nursing facility services" means health-related services to
10 individuals who do not require hospital care, but whose mental or
11 physical condition requires services that are above the level of room
12 and board and can be made available only through institutional
13 facilities.

14 NEW SECTION. **Sec. 2.** (1) In addition to any other tax, a quality
15 maintenance fee is imposed on every operator of a nonexempt nursing
16 facility in this state. The quality maintenance fee shall be six
17 dollars and fifty cents per patient day.

18 (2) Each operator of a nonexempt nursing facility shall file a
19 return with the department on a monthly basis. The return shall
20 include the following:

21 (a) The number of patient days for nonexempt nursing facilities
22 operated by that person in that month; and

23 (b) Remittance of the nonexempt nursing facility operator's quality
24 maintenance fee for that month.

25 NEW SECTION. **Sec. 3.** All of chapter 82.32 RCW, except RCW
26 82.32.270, applies to the fee imposed by this chapter, in addition to
27 any other provisions of law for the payment and enforcement of the fee
28 imposed by this chapter. The department may adopt rules, in accordance
29 with chapter 34.05 RCW, as necessary to provide for the effective
30 administration of this chapter.

31 NEW SECTION. **Sec. 4.** (1) By July 1st of each year, each nursing
32 facility operator shall file a report with the department of social and
33 health services listing the patient days and the gross income for the
34 prior calendar year for each nursing facility that he or she operates.

1 (2) By August 1, 2003, the department of social and health services
2 shall submit for approval to the federal department of health and human
3 services a request for a waiver pursuant to 42 C.F.R. 433.68. The
4 waiver shall identify the nursing facilities that the department
5 proposes to exempt from the quality maintenance fee. Those facilities
6 shall include at least:

7 (a) Nursing facilities operated by any agency of the state of
8 Washington;

9 (b) Nursing facilities operated by a public hospital district; and

10 (c) As many nursing facilities with no or disproportionately low
11 numbers of medicaid-funded residents as, within the judgment of the
12 department, may be exempted from the fee pursuant to 42 C.F.R. 433.68.

13 (3) The department of social and health services shall notify the
14 department of revenue and the nursing facility operator of the nursing
15 facilities that would be exempted from the quality maintenance fee
16 pursuant to the waiver request submitted to the federal department of
17 health and human services. The nursing facilities included in the
18 waiver request may withhold payment of the fee pending final action by
19 the federal government on the request for waiver.

20 (4) If the request for waiver is approved, the department of social
21 and health services shall notify the department of revenue and the
22 nursing facility operator that no quality maintenance fee is due from
23 the facility. If the request for waiver is denied, nursing facility
24 operators who have withheld payment of the fee shall pay all such fees
25 as have been withheld. No interest or penalties shall be due upon such
26 withheld payments for the period during which final federal action was
27 pending.

28 (5) The department of social and health services shall take
29 whatever action is necessary to continue the waiver from the federal
30 government.

31 (6) The department of social and health services may adopt such
32 rules, in accordance with chapter 34.05 RCW, as necessary to provide
33 for effective administration of this section and section 5 of this act.

34 NEW SECTION. **Sec. 5.** The department of social and health services
35 shall prospectively add the medicaid cost of the quality maintenance

1 fee under section 2 of this act to the nursing facility component rate
2 allocation calculated after application of all other provisions of RCW
3 74.46.521.

4 NEW SECTION. **Sec. 6.** (1) Sections 1 through 5 of this act shall
5 expire on the effective date that federal medicaid matching funds are
6 substantially reduced or that a federal sanction is imposed due to the
7 quality maintenance fee under section 2 of this act, as such date is
8 certified by the secretary of social and health services.

9 (2) The expiration of sections 1 through 5 of this act shall not be
10 construed as affecting any existing right acquired or liability or
11 obligation incurred under those sections or under any rule or order
12 adopted under those sections, nor as affecting any proceeding
13 instituted under those sections.

14 NEW SECTION. **Sec. 7.** If any provision of this act or its
15 application to any person or circumstance is held invalid, the
16 remainder of the act or the application of the provision to other
17 persons or circumstances is not affected.

18 NEW SECTION. **Sec. 8.** (1) Sections 1 through 3 of this act
19 constitute a new chapter in Title 82 RCW.

20 (2) Sections 4 and 5 of this act are each added to chapter 74.46
21 RCW.

22 NEW SECTION. **Sec. 9.** This act is necessary for the immediate
23 preservation of the public peace, health, or safety, or support of the
24 state government and its existing public institutions, and takes effect
25 July 1, 2003."

2SSB 5341 - S AMD 453
By Senators Rossi, Winsley

ADOPTED 06/04/2003

26 On page 1, line 2 of the title, after "facilities;" strike the

1 remainder of the title and insert "adding new sections to chapter 74.46
2 RCW; adding a new chapter to Title 82 RCW; creating a new section;
3 providing an effective date; providing a contingent expiration date;
4 and declaring an emergency."

--- END ---