
Appropriations Committee

HB 1331

Brief Description: Modifying payment amounts for nursing care services.

Sponsors: Representatives Cody and Campbell.

Brief Summary of Bill

- Prohibits a nursing pool providing employees or referring independent contractors to a nursing facility for nursing services from billing or receiving payments from a nursing facility at a rate higher than 135 percent of the weighted average rate, in the county in which the facility is located, for nursing facility employees of like classification.
- Reimburses purchased temporary nursing care services under the nursing home payment system and directs the Department of Social and Health Services to recalculate nursing facility rates to recognize such costs.

Hearing Date: 2/24/03

Staff: Bernard Dean (786-7130).

Background:

Nursing pools employ, procure, or refer health care or long-term care personnel, such as licensed nurses or practical nurses, nursing assistants, and chore services providers for temporary employment with health care facilities, agencies, or with individuals to meet the needs of health care providers and patients.

The Secretary of Health is the regulatory authority for nursing pools and has established administrative procedures for the oversight of such pools.

An increase in the use of nursing pools has occurred as a result of nursing staff shortages and other provider shortages. Since the demand for some health care personnel exceeds supply in some care settings, nursing pools have been used to meet staffing needs in health care facilities. Nursing pools are an expensive alternative to permanent staff, as the rates paid for nursing pool services include overhead and profit costs as well as the actual wages and benefits paid to the health care workers in the pool.

There are 253 Medicaid-certified nursing home facilities in Washington providing long-term care services to approximately 12,900 Medicaid clients. The payment system for these nursing homes is established in statute and is administered by the Department of Social and Health Services (DSHS). The rates paid to nursing facilities do not reimburse for the cost difference between temporary nursing staff from nursing pools and the median cost for employees of like classification employed by a nursing home.

Summary of Bill:

Nursing pools providing employees or referring independent contractors to a nursing facility cannot bill or receive payments at a rate higher than 135 percent of the weighted average wage rate for nursing home employees of like classification in the county in which the nursing facility is located.

Each county's weighted average wage rate for employees of like classification, which includes related taxes and benefits, must be determined by the DSHS in accordance with the nursing home cost reports required under the Medicaid nursing home payment system. The DSHS must report the wage rates on an annual basis to the Secretary of the Department of Health. The Secretary will provide this data to all registered nursing pools.

The maximum rate a nursing pool may charge a nursing facility must include all charges for administrative fees, contract fees, or other special charges in addition to the hourly rates for the nursing pool employees or referred independent contractors supplied to the nursing facility.

Purchased temporary nursing care services are made reimbursable under the nursing home payment system.

The DSHS will recalculate the direct care component medians to recognize purchased nursing services using 1999 cost reports and will recalculate nursing facility rates effective July 1, 2003.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.