

# HOUSE BILL REPORT

## ESHB 2925

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### As Passed Legislature

**Title:** An act relating to assisted living facility medicaid minimum occupancy percentage of fifty percent or greater.

**Brief Description:** Concerning assisted living facility medicaid minimum occupancy of fifty percent or greater.

**Sponsors:** By House Committee on Appropriations (originally sponsored by Representatives Santos, Morrell, Bailey, Cody, Hinkle, Pettigrew, Linville and Schual-Berke).

#### **Brief History:**

##### **Committee Activity:**

Health Care: 1/27/06, 1/31/06 [DP];

Appropriations: 2/3/06, 2/4/06 [DPS].

##### **Floor Activity:**

Passed House: 2/8/06, 98-0.

Senate Amended.

Passed Senate: 3/8/06, 49-0.

House Concurred.

Passed House: 3/8/06, 98-0.

Passed Legislature.

#### **Brief Summary of Engrossed Substitute Bill**

- The Department of Social and Health Services is required to establish a capital add-on rate for assisted living facilities that have a Medicaid minimum occupancy percentage of 60 percent or greater.

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### HOUSE COMMITTEE ON HEALTH CARE

**Majority Report:** Do pass. Signed by 14 members: Representatives Cody, Chair; Campbell, Vice Chair; Morrell, Vice Chair; Hinkle, Ranking Minority Member; Curtis, Assistant Ranking Minority Member; Alexander, Appleton, Bailey, Clibborn, Condotta, Green, Lantz, Moeller and Schual-Berke.

**Staff:** Dave Knutson (786-7146).

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### HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 23 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Buri, Cody, Conway, Darneille, Dunshee, Grant, Haigh, Hunter, Kagi, Kenney, Kessler, Linville, McDermott, Miloscia, Pearson, Schual-Berke, P. Sullivan and Walsh.

**Minority Report:** Do not pass. Signed by 7 members: Representatives Armstrong, Bailey, Chandler, Clements, Hinkle, Priest and Talcott.

**Staff:** Bernard Dean (786-7130).

**Background:**

The Department of Social and Health Services (Department) pays assisted living facilities a daily rate. The Department also pays a capital add-on rate to facilities that meet construction requirements specified in the Washington Administrative Code and serves a minimum number of Medicaid clients. The formula for determining eligibility for the capital add-on rate is contingent on the total amount budgeted for this purpose and is adjusted twice annually.

**Summary of Engrossed Substitute Bill:**

The Department of Social and Health Services is required to establish a capital add-on rate for assisted living facilities that have a medicaid minimum occupancy percentage of 60 percent or greater. The Department of Social and Health Services is required to determine the facility's medicaid occupancy percentage using the last six month's medicaid resident days from the preceding calendar year divided by the product of all its licensed boarding home beds regardless of use, times calendar days for the six-month period. Managed care clients will be included in the calculation of Medicaid occupancy. This capital add-on rate applies to rates established on or after July 1, 2006.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed. However the bill is null and void if not funded in the budget.

**Testimony For:** (Health Care) The operating budget for The Cannon House was based on a sufficient capital add-on rate. The high number of Medicaid clients make this add-on rate critical.

**Testimony For:** (Appropriations) This bill addresses the critical need to maintain access to community-based assisted living services for low income seniors in Washington. Since 1996, the state has provided additional funding for assisted living facilities through the capital add-on to encourage expansion. But in 2002, the Department of Social and Health Services proposed eliminating the rate. Fortunately, however, the Legislature established 50 percent threshold in the budget for facilities to qualify. However, not all of the facilities received the

money because over time, it wasn't available. This bill would take what had been a budget note and codify it.

This really fills a broken promise by restoring the capital add-on for those facilities with 50 percent or more Medicaid clients and would help encourage people to be in home and community-based care.

**Testimony Against:** (Health Care) None.

**Testimony Against:** (Appropriations) None.

**Persons Testifying:** (Health Care) Representative Tomiko-Santos, prime sponsor; Jonathan Eames, Washington Health Care Association; and Lynn French, The Cannon House.

**Persons Testifying:** (Appropriations) (In support) Representative Santos, prime sponsor; and Jonathan Eames, Washington Health Care Association.

**Persons Signed In To Testify But Not Testifying:** (Health Care) None.

**Persons Signed In To Testify But Not Testifying:** (Appropriations) None.