

SENATE BILL REPORT

ESHB 2925

As Reported By Senate Committee On:
Health & Long-Term Care, February 22, 2006
Ways & Means, March 7, 2006

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

Brief History: Passed House: 2/08/06, 98-0.

Committee Activity: Health & Long-Term Care: 2/15/06, 2/22/06 [DPA-WM].
Ways & Means: 3/7/06 [DPA].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.

Signed by Senators Keiser, Chair; Thibaudeau, Vice Chair; Deccio, Ranking Minority Member; Benson, Brandland, Franklin, Johnson, Kastama, Kline, Parlette and Poulsen.

Staff: Sharon Swanson (786-7447)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Doumit, Vice Chair, Operating Budget; Fairley, Kohl-Welles, Pridemore, Rasmussen, Regala and Thibaudeau.

Staff: Tim Yowell (786-7772)

Background: The Department of Social and Health Services (DSHS) pays a daily rate to assisted living facilities (ALF). In addition to the standard daily rate, DSHS pays an additional amount (called a capital add-on rate) to any ALF which: (1) meets certain construction requirements enumerated in the Washington Administrative Code (WAC); and (2) serves a minimum percentage of Medicaid clients.

The minimum percentage of Medicaid clients which an ALF must serve to receive the capital add-on rate is set twice yearly by DSHS according to a formula established in WAC, and is contingent on the total amount budgeted for capital add-on rates in a given time period.

Summary of Amended 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 Medicaid occupancy percentage effective January 1, 2006, through June 30, 2007, is calculated based on the Medicaid occupancy percentage for the period July 1, 2005 - December 31, 2005. The Medicaid occupancy percentage effective July 1, 2007, and each year thereafter is based on the Medicaid occupancy percentage for the last six months of the preceding calendar year.

Medicaid managed care clients will be included in the calculation of Medicaid occupancy. This capital add-on rate applies to assisted living facility rates established on or after January 1, 2006.

Ways & Means Amended Bill Compared to Health & Long-Term Care Amended Bill: The bill as amended by the Health and Long-Term Care Committee included a "null and void" clause. The bill as amended by Ways & Means provides that add-ons are to be paid to the extent funds are appropriated for that purpose.

Health & Long-Term Care Amended Bill Compared to Original Bill: The amended bill clarifies that the effective date to grant the capital add-on rate to facilities with Medicaid occupancy of sixty percent or greater is January 1, 2006.

The amended bill clarifies that the Department of Social and Health Services must include in the calculation of Medicaid days those clients who are enrolled in Medicaid managed care.

The amended bill places in statute the formula by which a facility's Medicaid occupancy is determined.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For (Health & Long-Term Care): As providers, we believe a minimum occupancy rate of 50 percent is appropriate but we realize the fiscal note is prohibitive. A striking amendment has been prepared to allow technical changes and to increase the minimum occupancy rate to increase to 60 percent. This increase should reduce the fiscal impact to a degree that will ensure the passage of the bill. As currently drafted, the bill has serious flaws and is open to a degree of interpretation that could violate the intent of behind the bill. The striker has been drafted to address the concerns raised in the hearing in the House of Representatives.

Testimony Against (Health & Long-Term Care): None.

Who Testified (Health & Long-Term Care): Brad Tower, Washington Health Care Association; Julie Peterson, Washington Association of Housing and Services for the Aging; Amy Brackenbury, Building Industry Association of Washington.

Testimony For (Ways & Means): None.

Testimony Against (Ways & Means): None.

Who Testified (Ways & Means): No one.