

SENATE BILL REPORT

SB 6374

As Reported By Senate Committee On:
Health & Long-Term Care, January 26, 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: Senators Spanel, Zarelli and Deccio.

Brief History:

Committee Activity: Health & Long-Term Care: 1/18/06, 1/26/06 [DP-WM].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass 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)

Background: Currently, the Department of Social and Health Services (DSHS) pays a daily rate to assisted living facilities (ALF). In addition to the 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 number of medicaid clients.

The minimum number 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.

There is concern among providers with the degree to which the minimum medicaid occupancy percentage can fluctuate.

Summary of Bill: DSHS must establish a capital add-on rate for assisted living facilities that have a medicaid minimum occupancy percentage of fifty percent or greater.

The capital add-on rate cannot be less than the July 1, 2005 rate established by DSHS.

Appropriation: None.

Fiscal Note: Requested on January 14, 2006.

Committee/Commission/Task Force Created: No.

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

Testimony For: Assisted living facilities are required to be built to physical plant standards. There is a great deal of cost that is involved in building and maintaining these facilities. Initially, the Legislature granted a capitol add-on rate to any facility serving 50 percent medicaid patients or greater. Now, the requirement is closer to 70 percent medicaid. The rate continues to fluctuate greatly based primarily on the budget. Only eleven facilities now qualify for an add on rate. The Cannon House facility was opened four years ago. The loss of the capitol add-on rate for the Cannon House facility means the loss of \$15,000 per month. Cannon House was built to serve low income medicaid patients but now faces closure because of this funding crises. Where will the residents go if we are forced to close our doors? If we keep cost shifting to private pay residents, the private pay population will soon be broke. Assisted living providers need the protection of putting the 50 percent or greater language in statute. It is impossible to develop and maintain a business plan without a consistent funding stream. Providers are in crises and need help now.

Testimony Against: None.

Testimony Other: The Department of Social and Health Services is neutral. The additional money needed to fund this legislation is not in the Governor's budget.

Who Testified: PRO: Jonathan Eames, Washington Health Care Association; Russ Hanscom, Arbor Village; Brenda Chambers, Emeritus; Lynn French, The Cannon House.

OTHER: Bill Moss, Department of Social and Health Services.