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SENATE BILL 5801

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State of Washington

59th Legislature

2005 Regular Session

By Senators Poulsen, Schmidt, Benton, Benson, Zarelli, Keiser, Esser, Pridemore, Thibaudeau and Kohl-Welles

Read first time 02/07/2005. Referred to Committee on Health & Long-Term Care.

1 AN ACT Relating to a vendor rate study of home care agencies; and  
2 creating a new section.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** (1) The department of social and health  
5 services shall conduct a vendor rate study of home care agencies. The  
6 study shall include an analysis of using a value-based reimbursement  
7 system that provides higher reimbursement rates for providers that  
8 demonstrate:

- 9 (a) Contractually obligated labor costs;  
10 (b) Higher percentage of revenue devoted to labor costs;  
11 (c) Higher supervisor-to-client ratios;  
12 (d) Best practices financial audits;  
13 (e) Accurate reporting of hours;  
14 (f) Ethical consumer marketing practices;  
15 (g) Adequate levels of liability insurance;  
16 (h) Compliance with labor and employment laws;  
17 (i) Process to enhance quality and safety; and  
18 (j) Not using public funds to promote or deter, encourage or

1 discourage employees to exercise their rights under section 7 of the  
2 federal labor relations act.

3 (2) The governor shall appoint a stakeholder committee made up of  
4 five persons familiar with the operation of home care agencies to  
5 assist the department in conducting the analysis. The five persons  
6 shall be representatives from (a) a for-profit agency, (b) a not-for-  
7 profit agency; (c) an organization representing consumers, (d) an  
8 organization representing home care workers, and (e) the area agencies  
9 on aging.

10 (3) The department shall report its findings, including a cost  
11 analysis of implementing a value-based reimbursement, to the  
12 legislature by December 15, 2005.

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