

---

HOUSE BILL 2727

---

State of Washington                      62nd Legislature                      2012 Regular Session

By Representatives Ahern, Klippert, Kretz, and Johnson

Read first time 01/27/12. Referred to Committee on Ways & Means.

1            AN ACT Relating to protecting the skilled nursing facility safety  
2 net trust fund; and amending RCW 74.48.020.

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

4            **Sec. 1.** RCW 74.48.020 and 2011 1st sp.s. c 7 s 14 are each amended  
5 to read as follows:

6            (1) There is established in the state treasury the skilled nursing  
7 facility safety net trust fund. The purpose and use of the fund shall  
8 be to receive and disburse funds, together with accrued interest, in  
9 accordance with this chapter. Moneys in the fund, including interest  
10 earned, shall not be used or disbursed for any purposes other than  
11 those specified in this chapter and the legislature may not transfer or  
12 appropriate funds inconsistent with this chapter. Any amounts expended  
13 from the fund that are later recouped by the department on audit or  
14 otherwise shall be returned to the fund.

15            (2) The skilled nursing facility safety net trust fund must be a  
16 separate and continuing fund, and no money in the fund reverts to the  
17 state general fund at any time. All assessments, interest, and  
18 penalties collected by the department under RCW 74.48.030, 74.48.040,  
19 and 74.48.080 shall be deposited into the fund.

1 (3) Any money received under RCW 74.48.030, 74.48.040, and  
2 74.48.080 must be deposited in the state treasury for credit to the  
3 skilled nursing facility safety net trust fund, and must be expended,  
4 to the extent authorized by federal law, to obtain federal financial  
5 participation in the medicaid program and to maintain and enhance  
6 nursing facility rates in a manner set forth in subsection (4) of this  
7 section.

8 (4) Disbursements from the fund may be made only as follows:

9 (a) As an immediate pass-through or rate add-on to reimburse the  
10 medicaid share of the skilled nursing facility safety net assessment as  
11 a medicaid allowable cost;

12 (b) To make medicaid payments for nursing facility services in  
13 accordance with chapter 74.46 RCW and pursuant to this chapter;

14 (c) To refund erroneous or excessive payments made by skilled  
15 nursing facilities pursuant to this chapter;

16 (d) To administer the provisions of this chapter the department may  
17 expend an amount not to exceed one-half of one percent of the money  
18 received from the assessment, and must not exceed the amount authorized  
19 for expenditure by the legislature for administrative expenses in a  
20 fiscal year;

21 (e) To repay the federal government for any excess payments made to  
22 skilled nursing facilities from the fund if the assessments or payment  
23 increases set forth in this chapter are deemed out of compliance with  
24 federal statutes and regulations and all appeals have been exhausted.  
25 In such a case, the department may require skilled nursing facilities  
26 receiving excess payments to refund the payments in question to the  
27 fund. The state in turn shall return funds to the federal government  
28 in the same proportion as the original financing. If a skilled nursing  
29 facility is unable to refund payments, the state shall either develop  
30 a payment plan or deduct moneys from future medicaid payments, or both;  
31 and

32 (f) To increase nursing facility payments to fund covered services  
33 to medicaid beneficiaries within medicare upper limits.

34 (5) Any positive balance in the fund at the end of a fiscal year  
35 shall be applied to reduce the assessment amount for the subsequent  
36 fiscal year in accordance with RCW 74.48.040(1)(c)(i).

37 (6) Upon termination of the assessment, any amounts remaining in

1 the fund shall be refunded to skilled nursing facilities, pro rata  
2 according to the amount paid by the facility, subject to limitations of  
3 federal law.

4 (7) The legislature may not increase the assessment solely for  
5 purposes of supplanting state general fund payments to skilled nursing  
6 facilities.

--- END ---