
HOUSE BILL 2787

State of Washington

63rd Legislature

2014 Regular Session

By Representative Ormsby

1 AN ACT Relating to the dual eligibles pilot project; adding a new
2 section to chapter 74.48 RCW; adding a new section to chapter 74.46
3 RCW; and adding a new section to chapter 74.39A RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 74.48 RCW
6 to read as follows:

7 Subject to the applicable conditions set forth in RCW 74.48.060 the
8 department shall:

9 (1) Require that health care service contractors participating in
10 the Washington medicaid integration partnership or the medicare
11 integration project, or both, as described in section 201(3) (a) and
12 (b), chapter 4, Laws of 2013 2nd sp. sess., compensate nursing facility
13 medicaid rates, at a minimum, as follows:

14 (a) It is the intent of the legislature that savings under the
15 integration project be achieved through shifts in utilization, and
16 reducing rehospitalization rates and not through reduced reimbursement
17 rates to providers;

18 (b) Health care service contractors shall pay nursing facilities

1 providing postacute skilled and rehabilitation care or long-term and
2 chronic care rates that reflect the different levels of services and
3 intensity required to provide these services;

4 (c) For the purposes of determining the appropriate rate for the
5 type of care identified in (b) of this subsection, the health care
6 service contractor shall pay no less than the recognized rates under
7 medicare and medicaid for these service types. Health care service
8 contractors shall not combine medicare and medicaid rates in order to
9 establish a single rate for dual eligible beneficiaries requiring
10 skilled nursing services.

11 (2) Ensure that nursing facilities receive the full benefit of all
12 disbursements made pursuant to RCW 74.48.020(4) (a), (b), (c), and (f),
13 including pass-throughs, rate add-ons, and rate enhancements. Health
14 care service contractors participating in the Washington medicaid
15 integration partnership and the medicare integration project, as
16 described in section 201(3) (a) and (b), chapter 4, Laws of 2013 2nd
17 sp. sess., contracting with nursing facilities shall pay all
18 disbursements made pursuant to RCW 74.48.020(4) (a), (b), (c), and (f),
19 to nursing facilities.

20 (3) Require managed care organizations or health care service
21 contractors participating in the Washington medicaid integration
22 partnership and the medicare integration project, as described in
23 section 201(3) (a) and (b), chapter 4, Laws of 2013 2nd sp. sess., to
24 demonstrate compliance with this section.

25 NEW SECTION. **Sec. 2.** A new section is added to chapter 74.46 RCW
26 to read as follows:

27 (1) Health care service contractors participating in the Washington
28 medicaid integration partnership or the medicare integration project,
29 or both, as described in section 201(3) (a) and (b), chapter 4, Laws of
30 2013 2nd sp. sess., shall compensate nursing facility medicaid rates,
31 at a minimum, as follows:

32 (a) It is the intent of the legislature that savings under the
33 integration project be achieved through shifts in utilization, and
34 reducing rehospitalization rates and not through reduced reimbursement
35 rates to providers;

36 (b) Health care service contractors shall pay nursing facilities

1 providing postacute skilled and rehabilitation care or long-term and
2 chronic care rates that reflect the different levels of services and
3 intensity required to provide these services;

4 (c) For the purposes of determining the appropriate rate for the
5 type of care identified in (b) of this subsection, the health care
6 service contractor shall pay no less than the recognized rates under
7 medicare and medicaid for these service types. Health care service
8 contractors shall not combine medicare and medicaid rates in order to
9 establish a single rate for dual eligible beneficiaries requiring
10 skilled nursing services;

11 (d) The cost of allowable services and ancillary charges not
12 included in the nursing facility rates established in this chapter, or
13 paid through another mechanism as identified by the published state
14 medicaid fee schedule, medicaid state plan, or other source may not be
15 included in the rates paid to the nursing facility; and

16 (e) Service rate add-ons may be paid to nursing facilities for
17 services or populations not compensated for under this chapter.

18 (2) Health care service contractors participating in the Washington
19 medicaid integration partnership and the medicare integration project,
20 as described in section 201(3) (a) and (b), chapter 4, Laws of 2013 2nd
21 sp. sess., shall contract with all willing medicaid certified nursing
22 facilities. Nursing facilities contracted under this section may not
23 be terminated unless the nursing facility is terminated from the
24 medicare or medicaid program.

25 NEW SECTION. **Sec. 3.** A new section is added to chapter 74.39A RCW
26 to read as follows:

27 (1) Health care service contractors participating in the Washington
28 medicaid integration partnership or the medicare integration project,
29 or both, as described in section 201(3) (a) and (b), chapter 4, Laws of
30 2013 2nd sp. sess., shall compensate assisted living, adult residential
31 care, and enhanced adult residential care provider medicaid rates, at
32 a minimum, as follows:

33 (a) Assisted living, adult residential care, and enhanced adult
34 residential care providers' medicaid rates must be paid at rates equal
35 to or greater than those rates established according to RCW 74.39A.030;

36 (b) The cost of allowable services and ancillary charges not
37 included in the rates established according to this chapter, or paid

1 through another mechanism as identified by the published state medicaid
2 fee schedule, medicaid state plan, or other source may not be included
3 in the rates described in (a) of this subsection; and

4 (c) Service rate add-ons may be paid to assisted living, adult
5 residential care, and enhanced adult residential care providers for
6 services or populations not compensated for under the rates established
7 according to this chapter.

8 (2) Health care service contractors participating in the Washington
9 medicaid integration partnership or the medicare integration project,
10 or both, as described in section 201(3) (a) and (b), chapter 4, Laws of
11 2013 2nd sp. sess., shall contract with all willing assisted living,
12 adult residential care, and enhanced adult residential care providers
13 contracted to provide medicaid services. Providers contracted under
14 this section may not be terminated unless the provider is terminated
15 from the medicaid program.

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