

---

## Appropriations Committee

---

### HB 1564

**Brief Description:** Concerning the nursing facility medicaid payment system.

**Sponsors:** Representatives Macri, Schmick, Cody, Tharinger, Jinkins, Kilduff, Appleton and Lekanoff; by request of Department of Social and Health Services.

#### Brief Summary of Bill

- Makes technical corrections to the Medicaid nursing home rate methodology.
- Exempts nursing homes operated by the federal Indian Health Service, a tribe, or a tribal organization from the nursing home rate methodology and allows for alternate rates subject to federal approval.

**Hearing Date:** 2/7/19

**Staff:** Mary Mulholland (786-7391).

#### Background:

The Washington Medicaid program includes long-term care assistance and services provided to low-income individuals. It is administered by the state in compliance with federal laws and regulations and is jointly financed by the federal and state governments. Clients may be served in their own homes, in community residential settings, or in skilled nursing facilities (nursing homes).

There are currently 196 nursing homes licensed in Washington to serve about 9,700 Medicaid clients. Nursing homes are licensed by the Department of Social and Health Services (DSHS) and provide 24-hour supervised nursing care, personal care, therapies, nutrition management, organized activities, social services, laundry services, and room and board to three or more residents.

#### Medicaid Rate Methodology for Nursing Homes.

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The Medicaid nursing home payment system is administered by the DSHS. The Medicaid rates in Washington are unique to each facility and reflect the client acuity (sometimes called the case mix) of each facility's residents. In 2015 and 2016, the Legislature modified the nursing home rate methodology. Any Medicaid payments to nursing homes made after June 30, 2016, must be based on the new methodology.

Medicaid payments for nursing home residents are shared by the state and federal governments at the state's Federal Matching Assistance Percentage (FMAP) rate. The current FMAP rate in Washington is 50 percent.

#### Tribal Nursing Homes.

Washington's 29 federally-recognized Indian tribes, as well as tribal organizations and the federal Indian Health Service (IHS), may operate nursing homes. Currently, only the Confederated Tribes of the Colville Nation operates a nursing home. Tribal nursing homes in Washington are subject to the same Medicaid rate methodology as all other nursing homes.

The federal Centers for Medicaid and Medicaid Services (CMS) permit alternate or enhanced rates for American Indian/Alaska Native clients in tribal nursing homes. It may also reimburse for such services with 100 percent federal funding rather than at the standard 50 percent.

#### **Summary of Bill:**

Numerous technical corrections are made to the nursing home rate methodology statute to clarify terms and modify dates.

Services provided by facilities of the IHS or by facilities operated by tribes or tribal organizations are exempt from the statutory rate methodology, and may be paid at alternate rates subject to CMS approval. The DSHS may adopt emergency rules to implement this provision.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.