

HOUSE BILL REPORT

EHB 1564

As Passed Legislature

Title: An act relating to the nursing facility medicaid payment system.

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 History:

Committee Activity:

Appropriations: 2/7/19, 2/18/19 [DP].

Floor Activity:

Passed House: 3/8/19, 98-0.

Senate Amended.

Passed Senate: 4/15/19, 47-1.

House Concurred.

Passed House: 4/23/19, 96-0.

Passed Legislature.

Brief Summary of Engrossed 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.
- Prohibits nursing homes with more than 60 licensed beds from including the Director of Nursing Services' hours in the minimum staffing standards calculation of direct care staff hours per resident day.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 32 members: Representatives Ormsby, Chair; Bergquist, 2nd Vice Chair; Robinson, 1st Vice Chair; Stokesbary, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Rude, Assistant Ranking Minority Member; Caldier, Chandler, Cody, Dye, Fitzgibbon, Hansen, Hoff, Hudgins, Jinkins, Kraft, Macri,

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.

Mosbrucker, Pettigrew, Pollet, Ryu, Schmick, Senn, Springer, Stanford, Steele, Sullivan, Sutherland, Tarleton, Tharinger, Volz and Ybarra.

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.

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 Medicare 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.

Nursing Home Minimum Staffing Levels.

Nursing homes must meet certain staffing level requirements. The standards require that nursing homes maintain levels of direct care staff that are adequate to provide at least 3.4 hours of direct care per resident per day.

Summary of Engrossed 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. Nursing homes with more than 60 licensed beds are prohibited from including the Director of Nursing Services' hours in the minimum staffing standards calculation of direct care staff hours per resident day.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) Nursing homes are an important resource for tribes, who are experiencing the impacts of an aging population. By 2030, there will be two-and-a-half times as many tribal elders as there were in 2012.

The Confederated Tribes of the Colville Nation is currently the only tribe in Washington that operates a nursing home. It was built in 1978 and serves an average daily census of 27 residents. Its small size makes the current Medicaid nursing home rate methodology difficult to administer. An enhanced rate would be possible, and the DSHS is working with the Health Care Authority to get the approval of the CMS. It is important for Colville and other tribes to be incentivized to provide needed long-term care resources throughout the state. Tribally operating nursing homes make it possible for treasured tribal members to remain in their own communities.

Technical corrections are made to the nursing home rate methodology statute in order to align with the way that the DSHS pulls data from the CMS systems, and to reflect the national data sources that the DSHS uses around square footage measurements of nursing homes.

(Opposed) None.

Persons Testifying: Representative Macri, prime sponsor; Bill Moss, Aging and Long Term Services Administration, Department of Social and Health Services; and Janet Nicholson, Confederated Tribes of the Colville Indian Reservation.

Persons Signed In To Testify But Not Testifying: None.