
HOUSE BILL 2451

State of Washington

66th Legislature

2020 Regular Session

By Representatives Tharinger, Harris, Cody, Schmick, Riccelli, Robinson, Stonier, Kloba, Santos, Pollet, Wylie, and Doglio

Read first time 01/14/20. Referred to Committee on Appropriations.

1 AN ACT Relating to the medicaid home health reimbursement rate
2 for medical assistance clients; amending RCW 74.39A.030; adding a new
3 section to chapter 74.09 RCW; creating new sections; and providing an
4 expiration date.

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

6 NEW SECTION. **Sec. 1.** The legislature intends to implement the
7 recommendations provided to the legislature in the December 2019 home
8 health medicaid payment methodology work group report. The
9 legislature finds that the two payment methodologies recommended by
10 the work group will increase access to home health services as well
11 as improve value and quality of services. The legislature finds that
12 the two-tiered phase in from a fee-for-service payment system to a
13 bundled services prospective payment system with value-based
14 purchasing will ensure a smooth transition for the health care
15 authority, home health providers, and individuals receiving home
16 health services.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 74.09
18 RCW to read as follows:

19 (1) Beginning January 1, 2021, the home health reimbursement rate
20 for medical assistance clients must be at a rate not less than one

1 hundred percent of the medicare home health payment, include
2 recognition for serving clients in rural areas, and provide
3 reimbursement for expanded benefits including:

4 (a) Licensed social work;

5 (b) Physical therapy;

6 (c) Occupational therapy;

7 (d) Speech therapy;

8 (e) Skilled nursing;

9 (f) Home health aide;

10 (g) Brief skilled nursing; and

11 (h) No more than one telephone encounter per day for skilled
12 assessment conducted through telemonitoring.

13 (2) This section expires January 1, 2022.

14 NEW SECTION. **Sec. 3.** Beginning January 1, 2022, the home health
15 reimbursement methodology for medical assistance clients must
16 transition from a fee-for-service methodology described in section 1
17 of this act to a prospective payment system with value-based
18 purchasing methodology. The bundled services prospective payment
19 system with value-based purchasing methodology must:

20 (1) Include reimbursement for all covered services;

21 (2) Include incentive pay for outcome measures; and

22 (3) Not include reimbursement for additional or enhancement
23 services.

24 **Sec. 4.** RCW 74.39A.030 and 2019 c 324 s 11 are each amended to
25 read as follows:

26 (1) To the extent of available funding, the department shall
27 expand cost-effective options for home and community services for
28 consumers for whom the state participates in the cost of their care.

29 (2) In expanding home and community services, the department
30 shall take full advantage of federal funding available under Title
31 XVIII and Title XIX of the federal social security act, including
32 home health, adult day care, waiver options, and state plan services
33 and expand the availability of in-home services and residential
34 services, including services in adult family homes, assisted living
35 facilities, and enhanced services facilities.

36 (3)(a) The department shall by rule establish payment rates for
37 home and community services that support the provision of cost-
38 effective care. Beginning July 1, 2019, the department shall adopt a

1 data-driven medicaid payment methodology as specified in RCW
2 74.39A.032 for contracted assisted living, adult residential care,
3 and enhanced adult residential care. In the event of any conflict
4 between any such rule and a collective bargaining agreement entered
5 into under RCW 74.39A.270 and 74.39A.300, the collective bargaining
6 agreement prevails.

7 (b) The department may authorize an enhanced adult residential
8 care rate for nursing homes that temporarily or permanently convert
9 their bed use under chapter 70.38 RCW for the purposes of providing
10 assisted living, enhanced adult residential care, or adult
11 residential care, when the department determines that payment of an
12 enhanced rate is cost-effective and necessary to foster expansion of
13 these contracted services. As an incentive for nursing homes to
14 permanently convert a portion of their nursing home bed capacity for
15 the purposes of providing assisted living, enhanced adult residential
16 care, or adult residential care, including but not limited to serving
17 individuals with behavioral health treatment needs, the department
18 may authorize a supplemental add-on to the residential care rate.

19 (c) Beginning January 1, 2021, the department shall reimburse
20 chronic home health services at a rate not less than one hundred
21 percent of the medicare home health payment, include recognition for
22 serving clients in rural areas, and provide reimbursement for
23 expanded benefits including:

- 24 (i) Licensed social work;
- 25 (ii) Physical therapy;
- 26 (iii) Occupational therapy;
- 27 (iv) Speech therapy;
- 28 (v) Skilled nursing;
- 29 (vi) Home health aide;
- 30 (vii) Brief skilled nursing; and
- 31 (viii) No more than one telephone encounter per day for skilled
32 assessment conducted through telemonitoring.

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