

SENATE BILL REPORT

ESHB 2954

As Reported by Senate Committee On:
Ways & Means, March 17, 2010

Title: An act relating to license fees for nursing homes, boarding homes, and adult family homes.

Brief Description: Concerning license fees for nursing homes, boarding homes, and adult family homes.

Sponsors: House Committee on Health & Human Services Appropriations (originally sponsored by Representative Cody; by request of Department of Social and Health Services).

Brief History: Passed House: 2/26/10, 53-43; 3/16/10, 55-38; 3/16/10, 54-39.

Committee Activity: Ways & Means: 3/08/10 [DPA, DNP, w/oRec]; 3/17/10 [DPA, DNP, w/oRec].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Fairley, Keiser, Kline, Kohl-Welles, McDermott, Murray, Oemig, Pridemore, Regala and Rockefeller.

Minority Report: Do not pass.

Signed by Senators Carrell, Pflug and Schoesler.

Minority Report: That it be referred without recommendation.

Signed by Senators Zarelli, Ranking Minority Member; Brandland, Hewitt, Honeyford and Parlette.

Staff: Megan Atkinson (786-7446)

Background: The Department of Social and Health Services (DSHS) administers numerous licensure programs including licenses for nursing homes, boarding homes, and adult family homes. The authority to charge license fees for these three facility types is currently provided in statute along with differing direction regarding the amount of the fee. DSHS is directed to set the nursing home license fee in an amount adequate to fully recover the costs of the licensure program, the boarding home fee is to be based on costs to administer the program, and the amount of the adult family home license fee is set in statute.

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.

In addition, DSHS is provided with a general direction fee [for all licensure programs] based on the costs of the licensure activities.

Currently in Washington there are approximately:

- 250 licensed skilled nursing facilities that provide services for approximately 10,900 Medicaid eligible clients. The average number of beds per facility is 91 and there are a total 21,300 beds in Washington.
- 550 licensed boarding homes that provide services for approximately 6,700 Medicaid eligible clients. About 2 percent of these are clients with developmental disabilities. The average number of beds per facility is 51 and there are a total of 28,200 beds in Washington.
- 2,800 licensed adult family homes that provide services for approximately 6,400 Medicaid eligible clients. About 27 percent of these are clients with developmental disabilities. The average home has six beds.

Summary of Bill (Recommended Amendments): Establishes procedures for license fees for nursing homes, boarding homes, and adult family homes and requires DSHS to report on specified program and workload data.

License fees for nursing homes and boarding homes will be set by DSHS in an amount sufficient to support the licensure, inspection and regulatory program. DSHS can make adjustments to the fees but prior to making any adjustments, DSHS must ensure that it is operating an efficient and cost effective program and that the adjustment in the fee is necessary for the program's continued operation.

Similar procedures are established for initial processing and annual renewal license fees for adult family homes. However, the adult family home fees will be set in the biennial appropriations act for Fiscal Year 2011. The license fees for Fiscal Year 2012 will be set by DSHS in an amount sufficient to support the licensure, inspection and regulatory program. DSHS can make adjustments to the fees but prior to making any adjustments, DSHS must ensure that the department is operating an efficient and cost effective program and that the adjustment in the fee is necessary for the continued operation of the program.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Amendments): Beginning July 1, 2010, license fees for nursing homes and boarding homes will be set by DSHS in an amount sufficient to operate the licensure, inspection and regulatory program.

The initial and annual renewal license fees for adult family homes will be set in the biennial appropriations act for Fiscal Year 2011. The license fees for Fiscal Year 2012 will be set by DSHS in an amount sufficient to operate the licensure, inspection and regulatory program.

Prior to requesting any future adjustments to the fees, DSHS must ensure that they are operating an efficient and cost-effective program and that the adjustment in fees is necessary for the continued operation of the program.

Beginning December 1, 2010, and annually thereafter DSHS must report to the Legislature on certain programmatic, operational, and workload information.

Changes the effective date to July 1, 2010.

Appropriation: None.

Fiscal Note: Available.

[OFM requested ten-year cost projection pursuant to I-960.]

Committee/Commission/Task Force Created: Yes.

Effective Date: The bill takes effect on July 1, 2010.

Staff Summary of Public Testimony: No public hearing was held.

Persons Testifying: N/A.