
**Health & Human Services Appropriations
& Oversight Committee**

HB 1149

Brief Description: Concerning the direct care and financing allowance component rate allocations for medicaid nursing facilities.

Sponsors: Representative Cody; by request of Department of Social and Health Services.

Brief Summary of Bill

- Aligns language concerning minimum occupancy with the rest of the nursing home payment statute.
- Authorizes the Department of Social and Health Services (DSHS) to determine the date of transition to the federally required data system upgrade of Minimum Data Set (MDS) 3.0.
- Eliminates the look-back and adjustments for client acuity changes that took place during the upgrade period to MDS 3.0.

Hearing Date: 2/15/11

Staff: Carma Matti-Jackson (786-7140).

Background:

The Washington State Medicaid (Medicaid) program includes long-term care assistance and services provided to low-income individuals. Clients may be served in their own homes, in community residential settings, and in skilled nursing facilities.

There are approximately 220 skilled nursing facilities licensed in Washington State that provide 24-hour long-term care services for approximately 9,939 Medicaid-eligible clients. The Medicaid nursing home payment system is administered by the Department of Social and Health Services (DSHS). The Medicaid rates in Washington are unique to each facility and are

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.

generally based on the facility's allowable costs, occupancy rate, and client acuity (sometimes called the "case mix").

The 2010 Legislature raised minimum occupancy adjustments for large non essential providers from 90 percent to 92 percent in the Finance Component. In addition, the 2010 Legislature reduced the allowable Return On Investment(ROI) to 4 percent for all tangible assets. The Governor vetoed the section that amended the allowable ROI.

The federal government requires use of the Minimum Data Set (MDS). The MDS is a standardized, primary screening and assessment tool of health status for all residents in a Medicare and/or Medicaid-certified long-term care facility. Using MDS assessment data, a client is scored into one of 44 groups that tie the payment levels to the patient acuity of the client being served. The MDS system has been upgraded to version 3.0 and DSHS is in the process of upgrading the payment system to align with the new data fields and formats.

Summary of Bill:

Language reflecting the increase in minimum occupancy adjustments in the finance component is aligned with minimum occupancy language for the finance component found elsewhere in the nursing home payment statute.

DSHS is authorized to determine the date of transition of payments based on the federally required data system upgrade of Minimum Data Set (MDS) 3.0. The look-back period and adjustment for client acuity changes scheduled to take place during the transition phase to the new MDS 3.0 data system is eliminated.

Appropriation: None.

Fiscal Note: Not requested.

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