
SUBSTITUTE SENATE BILL 5050

State of Washington

55th Legislature

1997 Regular Session

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Goings, Winsley, Wojahn and Franklin)

Read first time 02/19/97.

1 AN ACT Relating to affirming and clarifying the legislative
2 authority to treat the initial rate set for refurbished and new nursing
3 facilities as that rate which is established on July 1, 1995, for
4 purposes of recalculating the July 1, 1995, rate using a minimum
5 occupancy rate of eighty-five percent; and amending RCW 74.46.430.

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

7 **Sec. 1.** RCW 74.46.430 and 1995 1st sp.s. c 18 s 100 are each
8 amended to read as follows:

9 (1) The department, as provided by this chapter, will determine
10 prospective payment rates for services provided to medical care
11 recipients. Each rate so determined shall represent the contractor's
12 maximum compensation within each cost center and for return on
13 investment for each resident day for such medical care recipient.

14 (2) The department may modify such maximum per resident day rates,
15 consistent with this chapter, pursuant to the administrative appeals or
16 exception procedure authorized by RCW 74.46.780.

17 (3) For July 1, 1995, and all following rates, the maximum
18 prospective component payment rates for the nursing services, food,
19 administrative, operational, and property cost centers, and the return

1 on investment (ROI) component rate for each nursing facility shall be
2 established based upon a minimum licensed bed facility occupancy level
3 of ninety percent, except for rate adjustments as provided for in RCW
4 74.46.460(6), and except for entirely new facilities that commenced
5 operation between January 1, 1994, and June 30, 1994, and were impacted
6 by the ninety percent minimum occupancy factor, shall have their
7 nursing services, food, administrative, and operational component rates
8 revised based upon a minimum licensed bed facility occupancy level of
9 eighty-five percent, effective May 1, 1997.

10 (4) The minimum ninety percent facility occupancy shall be used to
11 calculate individual rates, to calculate the median cost limits (MCLs)
12 for the metropolitan statistical area (MSA) and nonmetropolitan
13 statistical area (non-MSA) peer groups, and to array facilities by
14 costs in calculating the variable return portion of the return on
15 investment rate component (ROI).

16 (5) All contractors shall be required to adjust and maintain wages
17 for all employees to a minimum hourly wage of four dollars and seventy-
18 six cents per hour beginning January 1, 1988, and five dollars and
19 fifteen cents per hour beginning January 1, 1989.

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