

# HOUSE BILL REPORT

## 2SHB 1116

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### As Amended by the Senate

**Title:** An act relating to long-term care.

**Brief Description:** Requiring the department of social and health services to disclose long-term care financial information and service options to clients.

**Sponsors:** By House Committee on Health Care (Originally sponsored by Representative Clements).

**Brief History:**

**Committee Activity:**

Health Care: 2/11/99, 2/25/99 [DPS];  
Appropriations: 3/4/99, 3/6/99 [DP2S(w/o sub HC)].

**Floor Activity:**

Passed House: 3/11/99, 96-0.  
Senate Amended.  
Passed Senate: 4/15/99, 46-0.

### Brief Summary of Second Substitute Bill

- Requires the Department of Social & Health Services (DSHS) to notify clients of estate recovery and establishing a process for notification.
- Requires the DSHS to develop a plan to notify clients quarterly of the amount they owe from their estate for using long-term care services. That plan will be submitted to the Legislature by December 12, 1999.

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### HOUSE COMMITTEE ON HEALTH CARE

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Cody, Democratic Co-Chair; Parlette, Republican Co-Chair; Pflug, Republican Vice Chair; Schual-Berke, Democratic Vice Chair; Alexander; Boldt; Campbell; Conway; Edmonds; Edwards; Mulliken and Ruderman.

**Staff:** Antonio Sanchez (786-7383).

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Health Care. Signed by 31 members: Representatives Huff, Republican Co-Chair; H. Sommers, Democratic Co-Chair; Alexander, Republican Vice Chair; Doumit, Democratic Vice Chair; D. Schmidt, Republican Vice Chair; Barlean; Benson; Boldt; Carlson; Clements; Cody; Crouse; Gombosky; Grant; Kagi; Keiser; Kenney; Lambert; Linville; Lisk; Mastin; McIntire; McMorris; Mulliken; Parlette; Regala; Rockefeller; Ruderman; Sullivan; Tokuda and Wensman.

**Staff:** Dave Johnson (786-7154).

### **Background:**

The state is required to recover (to have paid back) certain long-term care benefit payments, plus hospital services and prescription drug services, from recipients' estates after their death. Recovery is deferred while there is a surviving child who is 20 years old or younger or who is blind or disabled. Recovery is also deferred until the death of the surviving spouse. Certain hardship provisions to protect dependents heirs may apply.

Washington state will recover payments from the estates of recipients age 55 or older for the following long-term care service: nursing home services, Medicaid personal care services, adult day health, and private duty nursing or COPES. The state will also recover costs of hospital care and prescription drugs for people who receive any long care services. Recovery is also made from the estates of people who receive any state-funded services, such as chore services, adult family homes, or adult residential care. These are collected regardless of the age of the recipient of service.

Collection only applies to property the Medicaid recipient owned or had an interest in at the time of death. It does not apply to property solely owned by a spouse or child. An estate includes all real property (land or buildings) and all other property (savings, assets) a person owns or has a legal interest in at the time of death.

The Department of Social and Health Services (DSHS) may file a lien or make a claim against any property which is included in the deceased recipient's estate. Before filing a lien against real property, the DSHS gives notice and opportunity for a hearing to the estate's personal representative, the decedent's surviving spouse, or any other established title owner of the property.

At the time of application for assistance the client must complete and sign an application form. The application form contains a paragraph that states the client understands that the DSHS may recover the cost of long-term care services from their estate. A flyer produced by the Columbia Legal Services with information regarding estate recovery is also given to the clients at the time of application. Aging and Adult Services Administration pamphlets that are distributed to clients and providers also contain information regarding this issue.

The DSHS is not required by law to notify the client of the terms and conditions of the estate recovery process, the specific costs of each long-term care service option, or to periodically keep the recipient informed of long-term care services or the debt being charged to their estate.

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**Summary of Bill:**

This bill requires that the DSHS fully disclose in advance of any use of state funded long-term care services, the terms and conditions of the amount of money that a person would owe from their estate at the time of their death, if they choose to use state funded long-term care services. All state funded long-term care clients must be notified by the DSHS of how their estate would be billed, how much money each service would cost their estate, how the estate would be charged, and how any co-payments would be charged to them. The DSHS is required to develop a plan to provide clients financial information quarterly about the amount owed from their estate for the use of long-term care services. The plan must be submitted to the Legislature by December 12, 1999.

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**EFFECT OF SENATE AMENDMENT(S):** The requirement that the DSHS provide clients and their family with specific estate recovery information related to the costs of services, supervision, and related wages associated with the care is eliminated. All clients are required to provide consent prior to the disclosure of estate recovery information to family members.

**Appropriation:** None.

**Fiscal Note:** Requested on February 4, 1999.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** (Health Care) Clients and their families deserve to know what the state is charging them for services. Information about estate planning should be easy to read and understand.

(Appropriations) This bill is very important. People who receive these services under these programs need adequate information about services, costs and the estate recovery process. This bill addresses those concerns.

**Testimony Against:** (Health Care) The DSHS is currently notifying clients of the estate planning process. Notifying clients quarterly would be difficult to do technically and expensive.

(Appropriations) None.

**Testified:** (Health Care) (pro) Representative Clements, prime sponsor.

(Health Care) (con) Kathy Leitch, Department of Social & Health Services.

(Appropriations) (Substitute bill) Gail McGaffick, Home Care Association of Washington.