

FINAL BILL REPORT

SSB 5968

PARTIAL VETO

C 392 L 99

Synopsis as Enacted

Brief Description: Requiring supplemental payments to nursing facilities operated by public hospital districts.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Loveland and Rasmussen).

Senate Committee on Ways & Means

Background: There are 14 public hospital districts in the state which operate nursing facilities. All 14 are in rural areas, where they serve an average community population of approximately 6,000. As a group, these 14 rural hospital districts reported operating losses of \$5 million in 1997, of which \$3.5 million was covered by local tax levies.

Federal law allows state Medicaid payment rates for nursing home services to equal, but not exceed, federal Medicare rates. Washington's Medicaid payment rates are presently about \$55 million per year lower than if all nursing facilities were paid at the Medicare rate. Federal law also allows local governmental units to transfer funds to the state to serve as the state match for federal Medicaid payments. At least three states have used these two provisions of federal law to provide extra funding for publicly-operated nursing facilities, while at the same time generating extra revenue for other publicly-funded services.

Summary: The Department of Social and Health Services is authorized to make supplemental payments to nursing facilities operated by public hospital districts. These payments are only to be made if approved by the federal government, and in accordance with terms and conditions in the biennial appropriations act. These supplemental payments are not subject to other statutory requirements governing nursing home rate-setting and settlement.

\$108 million is appropriated for supplemental payments to nursing facilities operated by rural public hospital districts. The funding is contingent upon (1) federal approval of a Medicaid state plan amendment providing for such payments, and (2) an intergovernmental transfer by the public hospital districts to the Health Services Account equal to 82 percent of the supplemental payment amount.

Appropriation: \$108 million (\$52 million Health Services Account).

Votes on Final Passage:

Senate	43	0	
House	96	0	(House amended)
Senate	48	0	(Senate concurred)

Effective: July 25, 1999

Partial Veto Summary: The Medical Assistance Administration is not authorized to provide adult chiropractic services, because no funds are provided for that purpose, and providing chiropractic services would therefore require reductions in other Medicaid assistance services.