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**HOUSE BILL 2451**

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**State of Washington 66th Legislature 2020 Regular Session**

**By** Representatives Tharinger, Harris, Cody, Schmick, Riccelli, Robinson, Stonier, Kloba, Santos, Pollet, Wylie, and Doglio

AN ACT Relating to the medicaid home health reimbursement rate for medical assistance clients; amending RCW 74.39A.030; adding a new section to chapter 74.09 RCW; creating new sections; and providing an expiration date.

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

NEW SECTION. **Sec.**  The legislature intends to implement the recommendations provided to the legislature in the December 2019 home health medicaid payment methodology work group report. The legislature finds that the two payment methodologies recommended by the work group will increase access to home health services as well as improve value and quality of services. The legislature finds that the two-tiered phase in from a fee-for-service payment system to a bundled services prospective payment system with value-based purchasing will ensure a smooth transition for the health care authority, home health providers, and individuals receiving home health services.

NEW SECTION. **Sec.**  A new section is added to chapter 74.09 RCW to read as follows:

(1) Beginning January 1, 2021, the home health reimbursement rate for medical assistance clients must be at a rate not less than one hundred percent of the medicare home health payment, include recognition for serving clients in rural areas, and provide reimbursement for expanded benefits including:

(a) Licensed social work;

(b) Physical therapy;

(c) Occupational therapy;

(d) Speech therapy;

(e) Skilled nursing;

(f) Home health aide;

(g) Brief skilled nursing; and

(h) No more than one telephone encounter per day for skilled assessment conducted through telemonitoring.

(2) This section expires January 1, 2022.

NEW SECTION. **Sec.**  Beginning January 1, 2022, the home health reimbursement methodology for medical assistance clients must transition from a fee-for-service methodology described in section 1 of this act to a prospective payment system with value-based purchasing methodology. The bundled services prospective payment system with value-based purchasing methodology must:

(1) Include reimbursement for all covered services;

(2) Include incentive pay for outcome measures; and

(3) Not include reimbursement for additional or enhancement services.

**Sec.**  RCW 74.39A.030 and 2019 c 324 s 11 are each amended to read as follows:

(1) To the extent of available funding, the department shall expand cost-effective options for home and community services for consumers for whom the state participates in the cost of their care.

(2) In expanding home and community services, the department shall take full advantage of federal funding available under Title XVIII and Title XIX of the federal social security act, including home health, adult day care, waiver options, and state plan services and expand the availability of in-home services and residential services, including services in adult family homes, assisted living facilities, and enhanced services facilities.

(3)(a) The department shall by rule establish payment rates for home and community services that support the provision of cost-effective care. Beginning July 1, 2019, the department shall adopt a data-driven medicaid payment methodology as specified in RCW 74.39A.032 for contracted assisted living, adult residential care, and enhanced adult residential care. In the event of any conflict between any such rule and a collective bargaining agreement entered into under RCW 74.39A.270 and 74.39A.300, the collective bargaining agreement prevails.

(b) The department may authorize an enhanced adult residential care rate for nursing homes that temporarily or permanently convert their bed use under chapter 70.38 RCW for the purposes of providing assisted living, enhanced adult residential care, or adult residential care, when the department determines that payment of an enhanced rate is cost-effective and necessary to foster expansion of these contracted services. As an incentive for nursing homes to permanently convert a portion of their nursing home bed capacity for the purposes of providing assisted living, enhanced adult residential care, or adult residential care, including but not limited to serving individuals with behavioral health treatment needs, the department may authorize a supplemental add-on to the residential care rate.

(c) Beginning January 1, 2021, the department shall reimburse chronic home health services at a rate not less than one hundred percent of the medicare home health payment, include recognition for serving clients in rural areas, and provide reimbursement for expanded benefits including:

(i) Licensed social work;

(ii) Physical therapy;

(iii) Occupational therapy;

(iv) Speech therapy;

(v) Skilled nursing;

(vi) Home health aide;

(vii) Brief skilled nursing; and

(viii) No more than one telephone encounter per day for skilled assessment conducted through telemonitoring.

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