

**SENATE BILL REPORT**

**SHB 2098**

**AS OF APRIL 19, 1993**

**Brief Description:** Enhancing community options long-term care program.

**SPONSORS:** House Committee on Health Care (originally sponsored by Representative Valle; by request of Department of Social and Health Services)

**HOUSE COMMITTEE ON HEALTH CARE**

**HOUSE COMMITTEE ON APPROPRIATIONS**

**Staff:** Scott Plack (786-7409)

**BACKGROUND:**

The number of Washingtonians who need long-term care is growing dramatically. While the number of persons served by in-home and community-based programs grew dramatically over the past 10 years, the majority of state expenditures was for formal institutional care in nursing homes. Although in-home and community residential services have absorbed the bulk of the growth in caseloads over the past decade, they have received a relatively small share of the total growth in expenditures.

In Washington, the primary alternative for a disabled or elderly person no longer able to remain at home is placement in a nursing home, particularly if the person must depend upon public financial assistance for cost of care. There currently is a shortage of community residential alternatives. This has a number of consequences. The most common is that the person continues to live with his or her family long after the family is unable to meet the person's health and personal care needs. Often in this situation the person becomes more disabled, resulting in unwanted placement into a nursing home.

The state's Medicaid Nursing Home Program provides residential health care to eligible persons who are no longer capable of independent living and require nursing services. Nursing home care is provided by 307 private facilities, containing approximately 31,000 beds. Nursing homes receive reimbursement for services from three major sources: private payment, Medicaid, and Medicare. The majority--two-thirds of patient days--of nursing home reimbursement is paid for by Medicaid. All nursing homes licensed in the state receiving Medicaid or Medicare reimbursement are required to comply with both federal and state regulations.

During the 1991-93 biennium, the Legislature established an assisted living pilot program consisting of 180 assisted

living units statewide. Assisted living is a housing alternative based on the concept of providing professionally delivered nursing services and personal care in an apartment-like environment. Services are provided in a way that is noninstitutional and strives to keep the individual independent for as long as possible.

All clients in the program have access to personnel who will assist them with personal and health services eight hours a day (24 hours a day on call), and ancillary services such as cosmetology, banking, and transportation.

Clients in the Assisted Living Program must be eligible for COPES or Title XIX Medicaid. There are no specific regulations governing assisted living facilities.

The Department of Health is responsible for administering the Certificate of Need Program for a range of health and residential care facilities. The purpose of the Certificate of Need Program is to assure the construction and development of only those new health facilities and services which are needed. The certification process covers the sale, purchase, or lease of all or part of a nursing home.

The statewide need for nursing home beds is set by the Department of Health at 45 beds per 1,000 persons over the age of 65. The number of nursing home beds currently licensed is 51 per 1,000. Under the current process for bed allocation, the license for nursing home beds can be moved from one location that has too many beds to an area where more nursing home beds are needed. Nursing homes can now sell or buy nursing home beds on the "open market" without losing the rights to those beds. In addition, nursing home beds can be sold if the revocation of a facility's license is pending.

**SUMMARY:**

Long-Term Care Service System Enhancement: The Department of Social and Health Services (DSHS), through the Aging and Adult Services Administration, is required to develop and administer a comprehensive statewide long-term care program designed to meet the needs and preferences of functionally disabled clients. The long-term care services referred to under this comprehensive program are specified and one new service category is added. The array of long-term care options developed by the department must emphasize services that enable functionally disabled clients to live at home or in nonmedical residential settings for as long as practicable.

All clients who receive publicly funded long-term care as defined in this act are required to have their eligibility determined by a comprehensive assessment that includes assessment of the individual's functional disability, medical condition, health history, psychosocial background, and amount of assistance provided by family and friends. The comprehensive assessment services can be made available to private pay individuals who request such services. The department is required to also provide nursing home clients

with information regarding appropriate non-nursing home care alternatives.

New Long-Term Care Service--Assisted Living: A residential care option is now established under boarding home regulations called "assisted living." DSHS is given the authority to contract with licensed boarding homes to provide this type of care and to develop and administer rules for the program. Assisted living care is required to include, at a minimum: personal care, nursing services, medication administration, and supportive services. Preference for assisted living care is given to clients most at risk of hospitalization, admission into a nursing home, or other out-of-home placement as a result of their functional disability.

Voluntary Reductions of Nursing Home Beds Through Conversion: Nursing homes are allowed to reduce the number of licensed beds by converting part or all of the beds to licensed assisted living units, adult day care, adult day health, respite care, hospice, or senior wellness clinic. Nursing homes that elect to convert some or all of their licensed nursing home beds to assisted living units can retain the nursing home licensed beds in a "reserve" for the purpose of converting the beds back to nursing home beds. Those nursing homes that choose to convert their beds have four years before the assisted living beds must either be reconverted back to licensed nursing home beds or remain as assisted living beds. Only those nursing homes that have been in continuous operation and have not been purchased or leased can qualify to hold their licensed nursing home beds in "reserve." Provisions are established for converting beds held in reserve back to nursing home beds.

Reduction of Nursing Home Beds Through Certification Modifications: The process for determining whether to issue a Certificate of Need for new or replacement nursing home beds is modified to require the Department of Health to take into consideration the availability of: 1) other nursing home beds in the area, and 2) the availability of non-nursing home alternative services in the community. No new nursing home beds can be built and licensed before these two conditions are assessed.

A nursing home that chooses to replace existing nursing home beds, and has operated for at least one year with the same number or fewer beds in the same planning area, shall be deemed to have met Certificate of Need criteria. Nursing homes that close are allowed to retain the beds if they choose, for up to eight years after the nursing home closes.

Departmental Study: DSHS is required to report to the Legislature regarding long-term services provided through the Aging and Adult Services Administration.

Community Residential Facility Advisory Council: A Community Residential Facility Advisory Council is established. The council makes recommendations regarding rules and standards pertaining to community residential facilities.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** requested April 8, 1993

**Effective Date:** The bill contains an emergency clause and takes effect immediately.