

SENATE BILL REPORT

SB 5966

AS REPORTED BY COMMITTEE ON WAYS & MEANS, APRIL 14, 1993

Brief Description: Concerning the state veterans' homes.

SPONSORS: Senators Rinehart, Haugen and M. Rasmussen; by request of Department of Veterans Affairs

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5966 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rinehart, Chairman; Spanel, Vice Chairman; Bauer, Bluechel, Cantu, Gaspard, Hargrove, Hochstatter, McDonald, Moyer, Niemi, Owen, Pelz, Quigley, Roach, L. Smith, Snyder, Sutherland, West, Williams, and Wojahn.

Staff: Tim Yowell (786-7715)

Hearing Dates: April 8, 1993; April 14, 1993

BACKGROUND:

The Department of Veterans Affairs operates two state facilities which provide long-term care for veterans and their spouses: the Soldier's Home at Orting, which has approximately 175 residents; and the Veterans' Home at Retsil, which has 325 residents. Both homes are presently funded with a combination of state general funds, payments from the federal Department of Veterans Affairs, and contributions from the residents' incomes.

Approximately two-thirds of the residents of the two homes would be eligible for Medicaid payments if the homes were certified as nursing homes. Both Governor Lowry's budget proposal, and the 1993-95 budget passed by the Senate, assume that parts of both homes are Medicaid certified by July 1, 1993. This will save about \$6.5 million of state general funds in 1993-95, through their replacement with federal Medicaid payments.

Residents of the two homes are presently able to retain about \$180 of their monthly income for their personal use. All income in excess of \$180 is deposited into a revolving fund, for use on purposes which the home's superintendent and resident council determine will benefit the residents.

Under state and federal Medicaid rules, all of a nursing home resident's income in excess of a defined personal needs allowance must be used to offset the cost of their nursing home care. Under current state and federal regulations, the personal needs allowance is \$90 per month for veterans and

about \$43 per month for all other residents in private nursing homes. The Department of Social and Health Services and the Department of Veterans Affairs are attempting to obtain clarification from the federal government regarding which amount would apply for a veteran in a state-operated veterans' facility.

SUMMARY:

The Department of Veterans Affairs is authorized to operate nursing care units at the two veterans homes as Medicaid nursing homes, under contract with the Department of Social and Health Services. Statutory language regarding eligibility for residence in the homes is clarified, with no change in the underlying policy.

For residents not living in Medicaid nursing units, the personal needs allowance continues to be \$160 per month, or a higher amount specified by the department in rule. For Medicaid recipients, the personal needs allowance will be the amount which a veteran in a private nursing facility is allowed to retain (presently \$90 per month). If the federal government disallows this higher needs allowance, a special resident support account would be created for each home in the state treasury. Funding for this resident support account is subject to biennial appropriation by the legislature, and expenditures from the account are based on recommendations from the home's elected residents council.

EFFECT OF PROPOSED SUBSTITUTE:

The personal needs allowance for non-nursing residents continues as under current law.

The Department of Social and Health Services and the Department of Veterans Affairs are to seek federal approval to set the personal needs allowance for nursing care residents at \$160 per month. If approval is not granted, the allowance for nursing care residents is to be \$90.

There is to be an elected residents council at each home to advise the director of Veterans Affairs on all aspects of the home's operation. The council is also to approve expenditures from the home's benefit fund.

Appropriation: yes

Revenue: none

Fiscal Note: requested March 29, 1993

Effective Date: July 1, 1993

TESTIMONY FOR:

Transfers 52-55 percent of the costs of the homes to the federal government. In light of the state's serious budget situation, this is necessary. The alternative would be loss

of at least 100 of the beds at the facilities. Maintaining a separate revolving fund would incur accounting and administrative costs which would be better spent on direct care. Over 90 percent of the department's budget goes to the two homes even though the 500 residents are a very small percentage of the 650,000 veterans in the state.

TESTIMONY AGAINST:

Two principal concerns with the legislation. An over 50 percent cut in their personal needs allowance isn't a fair share to expect people who have fought for their country to bear of the state's budget problems. The personal needs allowance is all people have to pay phone bills, have an occasional meal out, etc. Revolving fund has been well-managed, and used for essential operations at the homes. Medicaid may be scrapped in a few years by a national health plan, so all of this would have been for nothing. The state has a unique responsibility to veterans; they should be entitled to a life of dignity. The revolving fund is an important means to give the residents a strong voice in facility operations. Many private homes are now beginning to use similar mechanisms. These residents are different; reducing the allowance would disenfranchise them.

TESTIFIED: Beau Bergeron, Department of Veterans Affairs (pro); John Purbaugh, Evergreen Legal Services (con); Kim Persyth, Orting Soldiers Home resident (con); Ralph Bershaw, Orting resident (con); James Hopkins, Retsil resident (con); Sherwin Williams, Retsil resident (con); Kary Hyre, Long-Term Care Ombudsman (con); William Merrifield, Military Order of the Purple Heart (pro); Keith Sherman, Veterans Legislative Coalition (pro); Paul Woodard, American Legion (pro)