

SENATE BILL REPORT

SB 6604

AS PASSED SENATE, MARCH 1, 1994

Brief Description: Changing provisions regarding incapacitated persons who are medicaid recipients.

SPONSORS: Senator Rinehart; by request of Department of Social and Health Services

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rinehart, Chairman; Quigley, Vice Chairman; Bauer, Gaspard, Hargrove, Ludwig, McDonald, Owen, Roach, Snyder, Spanel, Sutherland and Williams.

Staff: Tim Yowell (786-7715)

Hearing Dates: February 21, 1994; February 24, 1994

BACKGROUND:

Guardians and limited guardians may charge incapacitated persons to manage their affairs. The amount of this charge is fixed by the court at the time guardianship is established.

The fees charged by private guardians to state-supported nursing home residents have increased substantially in recent years. In 1989, such fees totalled \$125,000. By 1993, this had grown to \$1.6 million, or an average of \$274 per month for each of the 486 Medicaid nursing home residents known to have had a fee-charging guardian last year.

When private guardianship fees are increased, state costs also grow, because state-assisted residents have less disposable income available to contribute to the cost of their care. The state has also been notified by the federal government that it is out of compliance with federal Medicaid requirements because it does not have specific standards defining which guardianship charges will be recognized as reasonable and which will not.

SUMMARY:

The Department of Social and Health Services (DSHS) shall establish in rule the maximum amount which guardians may charge DSHS-assisted residents of nursing homes and other long-term care facilities. Guardians may not charge DSHS residents for services which the resident is already receiving as part of their state-funded service.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR:

The Federal Health Care Financing Administration has notified the state our current practice does not comply with federal standards. Financial management for DSHS residents should be minimal, because by definition they have very little income.

TESTIMONY AGAINST:

Guardians sometimes manage to get people off Medicaid by recovering assets for the ward which the Department of Social and Health Services doesn't know about. This saves the state a great deal of money, and pays the guardians' fees many times over. A better savings would be for the state to recover the costs of prior care for people who go off Medicaid, and to more actively pursue estate recoveries.

TESTIFIED: Kathy Leitch, DSHS (pro); Judith Williams, NW Guardianship Services (con)