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**ENGROSSED SUBSTITUTE SENATE BILL 5966**

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**State of Washington**

**53rd Legislature**

**1993 Regular Session**

**By** Senate Committee on Ways & Means (originally sponsored by Senators Rinehart, Haugen and M. Rasmussen; by request of Department of Veterans Affairs)

Read first time 04/14/93.

1       AN ACT Relating to state institutions; amending RCW 72.36.020,  
2 72.36.030, 72.36.035, 72.36.120, and 74.09.120; adding new sections to  
3 chapter 72.36 RCW; creating a new section; repealing RCW 72.36.080 and  
4 72.36.130; providing an effective date; and declaring an emergency.

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

6       NEW SECTION.     **Sec. 1.**     The legislature finds that continued  
7 operation of state veterans' homes is necessary to meet the needs of  
8 eligible veterans for shelter, personal and nursing care, and related  
9 services; that certain residents of veterans' homes or services  
10 provided to them may be eligible for participation in the state's  
11 medicaid reimbursement system; and that authorizing medicaid  
12 participation is appropriate to address the homes' long-term funding  
13 needs. The legislature also finds that it is important to maintain the  
14 dignity and self-respect of residents of veterans' homes, by providing  
15 for continued resident involvement in the homes' operation, and through  
16 retention of current law guaranteeing a minimum amount of allowable  
17 personal income necessary to meet the greater costs for these residents  
18 of transportation, communication, and participation in family and

1 community activities that are vitally important to their maintenance  
2 and rehabilitation.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 72.36 RCW  
4 to read as follows:

5 Qualifying operations at state veterans' homes operated by the  
6 department of veterans affairs, may be provided under the state's  
7 medicaid reimbursement system as administered by the department of  
8 social and health services.

9 The department of veterans affairs may contract with the department  
10 of social and health services under the authority of RCW 74.09.120 but  
11 shall be exempt from RCW 74.46.660(6), and the provisions of RCW  
12 74.46.420 through 74.46.590 shall not apply to the medicaid rate-  
13 setting and reimbursement systems. The nursing care operations at the  
14 state veterans' homes shall be subject to inspection by the department  
15 of social and health services. This includes every part of the state  
16 veterans' home's premises, an examination of all records, including  
17 financial records, methods of administration, general and special  
18 dietary programs, the disbursement of drugs, methods of supply, and any  
19 other records the department of social and health services deems  
20 relevant.

21 NEW SECTION. **Sec. 3.** A new section is added to chapter 72.36 RCW  
22 to read as follows:

23 The department of veterans affairs shall provide by rule for the  
24 annual election of a resident council for each state veterans' home.  
25 The council shall annually elect a chair from among its members, who  
26 shall call and preside at council meetings. The resident council shall  
27 serve in an advisory capacity to the director of the department of  
28 veterans affairs and to the superintendent in all matters related to  
29 policy and operational decisions affecting resident care and life in  
30 the home.

31 By October 31, 1993, the department shall adopt rules that provide  
32 for specific duties and procedures of the resident council which create  
33 an appropriate and effective relationship between residents and the  
34 administration. These rules shall be adopted after consultation with  
35 the resident councils and the state long-term care ombuds, and shall  
36 include, but not be limited to the following:

37 (1) Provision of staff technical assistance to the councils;

1 (2) Provision of an active role for residents in developing choices  
2 regarding activities, foods, living arrangements, personal care, and  
3 other aspects of resident life;

4 (3) A procedure for resolving resident grievances; and

5 (4) The role of the councils in assuring that resident rights are  
6 observed.

7 The development of these rules should include consultation with all  
8 residents through the use of both questionnaires and group discussions.

9 The resident council for each state veterans' home shall annually  
10 review the proposed expenditures from the benefit fund that shall  
11 contain all private donations to the home, all bequeaths, and gifts.  
12 Disbursements from each benefit fund shall be for the benefit and  
13 welfare of the residents of the state veterans' homes. Disbursements  
14 from the benefits funds shall be on the authorization of the  
15 superintendent or his or her authorized representative after approval  
16 has been received from the home's resident council.

17 The superintendent or his or her designated representative shall  
18 meet with the resident council at least monthly. The director of the  
19 department of veterans affairs shall meet with each resident council at  
20 least three times each year.

21 **Sec. 4.** RCW 72.36.020 and 1977 c 31 s 2 are each amended to read  
22 as follows:

23 The director of the department of veterans affairs shall appoint a  
24 superintendent for ~~((the state soldiers' home and colony, and a~~  
25 ~~superintendent for the Washington veterans' home, who, with the consent~~  
26 ~~of the director, may be styled, respectively, "commandant of the~~  
27 ~~home")) each state veterans' home. The superintendent shall exercise  
28 management and control of the institution in accordance with either  
29 policies ((and/or)) or procedures promulgated by the director of the  
30 department of veterans affairs, or both, and rules and regulations of  
31 the department. In accordance with chapter 18.52 RCW, the individual  
32 appointed as superintendent for either state veterans' home shall be a  
33 licensed nursing home administrator. The department may request a  
34 waiver to, or seek an alternate method of compliance with, the federal  
35 requirement for a licensed on-site administrator during a transition  
36 phase from July 1, 1993, to June 30, 1994.~~

1       **Sec. 5.** RCW 72.36.030 and 1977 ex.s. c 186 s 1 are each amended to  
2 read as follows:

3       (~~All honorably discharged veterans who have served the United~~  
4 ~~States government in any of its wars, and members of the state militia~~  
5 ~~disabled while in the line of duty, may be admitted to the state~~  
6 ~~soldiers' home at Orting under such rules and regulations as may be~~  
7 ~~adopted by the department: PROVIDED, That such applicants have been~~  
8 ~~actual bona fide residents of this state at the time of their~~  
9 ~~application, and are indigent and unable to support themselves:~~  
10 ~~PROVIDED FURTHER, That the surviving spouses of all veterans and~~  
11 ~~members of the state militia disabled while in the line of duty, who~~  
12 ~~were members of a soldiers' home or colony or veterans' home in this~~  
13 ~~state or entitled to admission thereto at the time of death, and~~  
14 ~~surviving spouses of all such veterans and members of the state~~  
15 ~~militia, who would have been entitled to admission to a soldiers' home~~  
16 ~~or colony or veterans' home in this state at the time of death, but for~~  
17 ~~the fact that they were not indigent and unable to earn a support for~~  
18 ~~themselves and families, which spouses have since the death of their~~  
19 ~~husbands or wives, become indigent and unable to earn a support for~~  
20 ~~themselves shall be admitted to such home: PROVIDED, FURTHER, That~~  
21 ~~such spouses are not less than fifty years of age and were married and~~  
22 ~~living with their husbands or wives on or before three years prior to~~  
23 ~~the date of their application, and have not been married since the~~  
24 ~~decease of their husbands or wives to any person not a member of a~~  
25 ~~soldiers' home or colony or veterans' home in this state or entitled to~~  
26 ~~admission thereto: AND PROVIDED, FURTHER, That sufficient facilities~~  
27 ~~and resources are available to accommodate such applicant.)) All of the  
28 following persons who have been actual bona fide residents of this  
29 state at the time of their application, and who are indigent and unable  
30 to support themselves and their families may be admitted to a state  
31 veterans' home under rules as may be adopted by the director of the  
32 department, unless sufficient facilities and resources are not  
33 available to accommodate these people:~~

34       (1)(a) All honorably discharged veterans of a branch of the armed  
35 forces of the United States or merchant marines; (b) members of the  
36 state militia disabled while in the line of duty; and (c) the spouses  
37 of these veterans, merchant marines, and members of the state militia.  
38 However, it is required that the spouse was married to and living with  
39 the veteran three years prior to the date of application for

1 admittance, or, if married to him or her since that date, was also a  
2 resident of a state veterans' home in this state or entitled to  
3 admission thereto;

4 (2)(a) The spouses of: (i) All honorably discharged veterans of  
5 the United States armed forces; (ii) merchant marines; and (iii)  
6 members of the state militia who were disabled while in the line of  
7 duty and who were residents of a state veterans' home in this state or  
8 were entitled to admission to one of this state's state veteran homes  
9 at the time of death; (b) the spouses of: (i) All honorably discharged  
10 veterans of a branch of the United States armed forces; (ii) merchant  
11 marines; and (iii) members of the state militia who would have been  
12 entitled to admission to one of this state's state veterans' homes at  
13 the time of death, but for the fact that the spouse was not indigent,  
14 but has since become indigent and unable to support himself or herself  
15 and his or her family. However, the included spouse shall be at least  
16 fifty years old and have been married to and living with their husband  
17 or wife for three years prior to the date of their application. The  
18 included spouse shall not have been married since the death of his or  
19 her husband or wife to a person who is not a resident of one of this  
20 state's state veterans' homes or entitled to admission to one of this  
21 state's state veterans' homes; and

22 (3) All applicants for admission to a state veterans' home shall  
23 apply for all federal and state benefits for which they may be  
24 eligible, including medical assistance under chapter 74.09 RCW.

25 **Sec. 6.** RCW 72.36.035 and 1991 c 240 s 2 are each amended to read  
26 as follows:

27 For purposes of this chapter, unless the context clearly indicates  
28 otherwise(~~(7)~~):

29 (1) "Actual bona fide residents of this state" (~~shall mean~~) means  
30 persons who have a domicile in the state of Washington immediately  
31 prior to application for (~~membership in the soldiers' home or colony~~  
32 ~~or veterans')~~ admission to a state veterans' home.

33 (~~The term~~) (2) "Department" means the Washington state department  
34 of veterans affairs.

35 (3) "Domicile" (~~shall mean~~) means a person's true, fixed, and  
36 permanent home and place of habitation, and shall be the place where  
37 the person intends to remain, and to which the person expects to return

1 when the person leaves without intending to establish a new domicile  
2 elsewhere.

3 (4) "State veterans' home" means either the Washington soldiers'  
4 home and colony in Orting, or the Washington veterans' home in Retsil,  
5 or both.

6 (5) "Veteran" has the same meaning established in RCW 41.04.005.

7 **Sec. 7.** RCW 72.36.120 and 1977 ex.s. c 186 s 7 are each amended to  
8 read as follows:

9 ~~((All income of members of the soldiers' home in excess of~~  
10 ~~allowable income shall be deposited in the soldiers' home revolving~~  
11 ~~fund as established in section 55, chapter 269, Laws of 1975 1st ex.~~  
12 ~~sess. (uncodified, and herein continued and reenacted).)~~

13 ~~(1) Allowable income shall be defined by the rules and regulations~~  
14 ~~adopted by the department: PROVIDED, That the allowable income of~~  
15 ~~members accepted for membership shall not be decreased below one~~  
16 ~~hundred sixty dollars per month during periods that such members are~~  
17 ~~resident thereat.~~

18 ~~(2) Disbursements from the soldiers' home revolving fund shall be~~  
19 ~~for the benefit and welfare of all members of the soldiers' home and~~  
20 ~~such disbursements shall be on the authorization of the superintendent~~  
21 ~~or his authorized representative after approval has been received from~~  
22 ~~a duly constituted body representative of the members.~~

23 ~~(3) In order to maintain an effective expenditure and revenue~~  
24 ~~control, the soldiers' home revolving fund shall be subject in all~~  
25 ~~respects to chapter 43.88 RCW, but no appropriation shall be required~~  
26 ~~to permit expenditures from such funds.)) All income of residents of a~~  
27 state veterans' home, other than the personal needs allowance and  
28 income from therapeutic employment, shall be deposited in the state  
29 general fund--local and be available to apply against the cost of care  
30 provided by the state veterans' homes. The resident council created  
31 under section 3 of this act may make recommendations on expenditures  
32 under this section. All expenditures and revenue control shall be  
33 subject to chapter 43.88 RCW.

34 **Sec. 8.** RCW 74.09.120 and 1992 c 8 s 1 are each amended to read as  
35 follows:

36 The department shall purchase necessary physician and dentist  
37 services by contract or "fee for service." The department shall

1 purchase nursing home care by contract. The department shall establish  
2 regulations for reasonable nursing home accounting and reimbursement  
3 systems which shall provide that no payment shall be made to a nursing  
4 home which does not permit inspection by the department of social and  
5 health services of every part of its premises and an examination of all  
6 records, including financial records, methods of administration,  
7 general and special dietary programs, the disbursement of drugs and  
8 methods of supply, and any other records the department deems relevant  
9 to the establishment of such a system.

10 The department may purchase nursing home care by contract in  
11 veterans' homes operated by the state department of veterans affairs.  
12 The department shall establish rules for reasonable accounting and  
13 reimbursement systems for such care.

14 The department may purchase care in institutions for the mentally  
15 retarded, also known as intermediate care facilities for the mentally  
16 retarded. The department shall establish rules for reasonable  
17 accounting and reimbursement systems for such care. Institutions for  
18 the mentally retarded include licensed nursing homes, public  
19 institutions, licensed boarding homes with fifteen beds or less, and  
20 hospital facilities certified as intermediate care facilities for the  
21 mentally retarded under the federal medicaid program to provide health,  
22 habilitative, or rehabilitative services and twenty-four hour  
23 supervision for mentally retarded individuals or persons with related  
24 conditions and includes in the program "active treatment" as federally  
25 defined.

26 The department may purchase care in institutions for mental  
27 diseases by contract. The department shall establish rules for  
28 reasonable accounting and reimbursement systems for such care.  
29 Institutions for mental diseases are certified under the federal  
30 medicaid program and primarily engaged in providing diagnosis,  
31 treatment, or care to persons with mental diseases, including medical  
32 attention, nursing care, and related services.

33 The department may purchase all other services provided under this  
34 chapter by contract or at rates established by the department.

35 NEW SECTION. Sec. 9. A new section is added to chapter 72.36 RCW  
36 to read as follows:

37 The legislature finds that to meet the objectives of section 1,  
38 chapter . . . ., Laws of 1993 1st sp. sess. (section 1 of this act), the

1 personal needs allowance for all nursing care residents of the state  
2 veterans' homes shall be an amount approved by the federal health care  
3 financing authority, but not less than ninety dollars or more than one  
4 hundred sixty dollars per month during periods of residency. For all  
5 domicilliary residents, the personal needs allowance shall be one  
6 hundred sixty dollars per month, or a higher amount defined in rules  
7 adopted by the department.

8 NEW SECTION. **Sec. 10.** A new section is added to chapter 72.36 RCW  
9 to read as follows:

10 No reduction in the allowable income provided for in current  
11 department rules may take effect until the effective date of  
12 certification of qualifying operations at state veterans' homes for  
13 participation in the state's medicaid reimbursement system.

14 NEW SECTION. **Sec. 11.** The following acts or parts of acts are  
15 each repealed:

16 (1) RCW 72.36.080 and 1977 ex.s. c 186 s 5, 1975 c 13 s 2, 1973 1st  
17 ex.s. c 154 s 104, & 1959 c 28 s 72.36.080; and

18 (2) RCW 72.36.130 and 1977 ex.s. c 186 s 8.

19 NEW SECTION. **Sec. 12.** This act is necessary for the immediate  
20 preservation of the public peace, health, or safety, or support of the  
21 state government and its existing public institutions, and shall take  
22 effect July 1, 1993.

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