

SENATE BILL REPORT

SHB 2944

As of February 26, 1996

Title: An act relating to affirming and clarifying the legislative authority to treat the initial rate set for refurbished and new nursing facilities as that rate which is established on July 1, 1995, for purposes of applying the eighty-five percent minimum occupancy requirement.

Brief Description: Affirming and clarifying the legislative authority to treat the initial rate set for refurbished and new nursing facilities as that rate which is established on July 1, 1995, for purposes of applying the eighty-five percent minimum occupancy requirement.

Sponsors: House Committee on Appropriations (originally sponsored by Representative Dyer).

Brief History:

Committee Activity: Ways & Means: 2/26/96.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Tim Yowell (786-7435)

Background: Nursing home payment rates for fiscal year 1996 are based on a nursing home's calendar year 1994 actual allowable costs, adjusted for inflation. Fiscal year 1997 and 1998 payment rates will be the 1996 payment rate, increased by a national index of nursing home inflation.

The 1995 Legislature increased the minimum occupancy recognized in calculating a facility's daily payment rate from 85 percent to 90 percent. This means that if a facility's actual occupancy during calendar year 1994 was below 90 percent, an occupancy level of 90 percent is assumed in calculating the daily payment rate.

An exception to the 90 percent minimum occupancy standard was allowed for facilities which were undergoing new construction or substantial renovation projects in 1994, and which had less than six months left to operate in the 1994 cost-reporting year after the construction was completed. In such cases, the minimum occupancy standard continued to be 85 percent.

Summary of Bill: A minimum occupancy of 85 percent, rather than 90 percent, is to be used in calculating the fiscal year 1996 and all subsequent rates for new nursing facilities which began operation in calendar year 1994, regardless of whether the facility operated for more than six months in calendar year 1994.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Because of the complexity of the legislation enacted last session, no one understood that the exception would only apply to facilities which operated for less than six months after their construction was completed. This legislation would correct that oversight.

Testimony Against: None.

Testified: Senator Calvin Goings (pro); Jerry Reilly, Washington Health Care Assn. (pro); William Chunyk (pro).