
Appropriations Committee

HB 1921

Brief Description: Exempting certain nursing homes from the quality maintenance fee.

Sponsors: Representatives Schual-Berke and Bailey.

Brief Summary of Bill

- Requires the Department of Social and Health Services to submit a waiver amendment to the federal government that exempts facilities designated as institutions for mental disease from the nursing facility quality maintenance fee.

Hearing Date: 3/3/05

Staff: Bernard Dean (786-7130).

Background:

In 2003, legislation was enacted that imposed a quality maintenance fee of \$6.50 per patient day (excluding Medicare patient days) on nursing facilities. The quality maintenance fee was expected to generate \$78.2 million in general fund revenues during the 2003-05 biennium.

The legislation establishing the quality maintenance fee also directed the Department of Social and Health Services (DSHS) to request a waiver of federal uniformity rules from the Centers for Medicare and Medicaid Services (CMS) in order to exempt certain facilities from the fee, including state-operated facilities, public hospital districts, and as many nursing homes with no or low rates of Medicaid occupancy as, within the judgment of the DSHS, could be exempted pursuant to federal requirements. No fee was due from the facilities named in the waiver request pending a final federal decision.

The CMS rejected the approach taken by the DSHS in its original waiver request. On January 4, 2005, the CMS approved a modified version of the waiver request submitted by the DSHS. The approved waiver exempted government-operated nursing facilities and facilities with 47 or fewer and 210 or greater licensed beds from the tax.

Summary of Bill:

By October 15, 2005, the DSHS is required to submit a waiver amendment to the federal Department of Health and Human Services, exempting facilities designated as institutions for mental disease by the federal government, from the quality maintenance fee.

Upon approval by the federal government, the waiver exemption of institutions for mental disease from the nursing facility quality maintenance fee is retroactive to July 1, 2003.

The act expires if federal Medicaid matching funds are substantially reduced or if a federal sanction is imposed.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.