(DIGEST OF PROPOSED 1ST SUBSTITUTE)

Finds that the current statute governing the nursing facility medicaid payment system is overly complex in contrast to Washington state's statutes governing reimbursement systems for hospitals, physicians, boarding homes, and other vendors, and that this complexity has made it difficult to focus on systemic improvements in the nursing facility medicaid payment system and in other long-term care policies.

Declares an intent to simplify the existing nursing facility medicaid payment system so that it is fair, predictable, transparent, and accountable. Effective July 1, 2009, the essential structure of this simplified nursing facility medicaid payment system must be described in statute, and the details of the system must be described in rules adopted by the department of social and health services.

Requires the department of social and health services to adopt comprehensive rules to describe and administer the nursing facility medicaid payment system, to be effective July 1, 2009.