
Health Care & Wellness Committee

HB 1854

Brief Description: Concerning the transition of medicaid enrollees to skilled nursing facility care.

Sponsors: Representatives Cody, Schmick and Tharinger.

Brief Summary of Bill

- Establishes incentives for Medicaid managed care organizations to assure timely and appropriate transfers from hospital care to skilled nursing facility care.
- Directs the Health Care Authority to issue a report on barriers to the timely and appropriate transfer of Medicaid enrollees from hospital care to skilled nursing facility care.

Hearing Date: 2/15/17

Staff: Chris Blake (786-7392).

Background:

Medicaid managed care.

Managed care is a prepaid, comprehensive system of medical and health care delivery, including preventive, primary, specialty, and ancillary health services. Washington Apple Health (Apple Health) is the Medicaid managed care program for low-income people in Washington. Apple Health offers eligible families, children under age 19, pregnant women, certain blind or disabled persons, and low-income adults a complete medical benefits package.

The Health Care Authority (Authority) establishes standards for managed care organizations that seek to contract to provide services to clients in the Apple Health program. The standards include:

- obtaining a certificate of registration from the Office of the Insurance Commissioner to provide health care services;
- accepting the Authority's managed care contract;

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- demonstrating the ability to meet the Authority's network and quality standards; and
- being awarded a contract through a competitive process or an application process.

Reimbursement for Inpatient Hospital Stays.

The Authority pays for the hospital stays of Apple Health enrollees if the attending physician orders admission and the admission and treatment meet coverage standards. Hospital services include emergency room services; hospital room and board, including nursing care; inpatient services, supplies, equipment, and prescription drugs; surgery and anesthesia; diagnostic testing and laboratory work; and radiation and imaging services. The Authority only pays for medically necessary services that are the least costly and equally effective treatment for the client.

Hospitals may receive an "administrative day rate" for days of a hospital stay when a client does not meet the medical necessity criteria for acute inpatient care, but is not discharged because an appropriate placement outside the hospital is not available.

Summary of Bill:

The Health Care Authority (Authority) must monitor and enforce the requirement that Medicaid managed care organizations coordinate the timely and appropriate transition of Medicaid enrollees to skilled nursing facilities when such care is more appropriate than acute hospital care. The Authority must incentivize timely and appropriate transitions by assessing an overstay fee upon the Medicaid managed care organization if it does not make a skilled nursing facility placement within a reasonable time. If an enrollee remains in an acute care hospital:

- for more than 10 days after being ready to transition to a skilled nursing facility, the overstay fee equals one-third of the administrative day rate for days 11 through 20;
- for more than 20 days after being ready to transition to a skilled nursing facility, the overstay fee equals two-thirds of the administrative day rate for days 21 through 30; and
- for more than 30 days after being ready to transition to a skilled nursing facility, the overstay fee equals twice the administrative day rate for each additional day.

When awarding contracts and assigning Medicaid clients to managed care organizations, the Authority must consider the managed care organization's demonstrated capability to appropriately transition enrollees in a timely manner to skilled nursing facility care when it is more appropriate than acute hospital care.

The Authority must survey skilled nursing facilities to identify barriers to the timely and appropriate transfer of Medicaid enrollees from hospitals. Survey questions must identify the additional resources needed to accept Medicaid enrollees, including those with complex needs. The Authority must issue a public report on the survey results and identify steps to improve the timely and appropriate transfer of Medicaid enrollees from hospitals and information on the number and trend in administrative days, by facility and contractor.

Appropriation: None.

Fiscal Note: Requested on February 1, 2017.

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