## SUBSTITUTE HOUSE BILL 2963

State of Washington 65th Legislature 2018 Regular Session

By House Health Care & Wellness (originally sponsored by Representatives Cody and Macri)

READ FIRST TIME 02/02/18.

- AN ACT Relating to the consumer directed employer program; 1 2 amending RCW 74.39A.030, 74.39A.051, 74.39A.056, 74.39A.060, 74.39A.095, 74.39A.086, 74.39A.090, 74.39A.155, 3 74.39A.210, 74.39A.250, 4 74.39A.240, 74.39A.261, 74.39A.270, 74.39A.275, 74.39A.300, 74.39A.310, 74.39A.351, 74.39A.360, 41.56.026, 5 and 41.56.113; reenacting and amending RCW 74.39A.009; adding new 6 7 sections to chapter 74.39A RCW; creating new sections; and repealing 8 RCW 74.39A.220.
- 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- NEW SECTION. Sec. 1. The legislature finds that quality longterm in-home care services allow Washington seniors, persons with disabilities, and their families the choice of remaining in their own homes and communities, including whether to receive residential services, use licensed home care agencies, or coemploy individual providers.
- The legislature further finds that long-term in-home care services are a less costly alternative to institutional care, saving Washington taxpayers significant amounts through lower reimbursement rates. Thousands of Washington seniors and persons with disabilities exercise their choice to live in their own homes and receive needed assistance through in-home services.

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The legislature finds that many Washington seniors and persons with disabilities currently receive long-term in-home care services from individual providers hired directly by them under programs authorized through the medicaid state plan or medicaid waiver authorities and similar state-funded in-home care programs.

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6 legislature further finds that establishing a consumer 7 directed employer program will: (1) Support the state's intent for consumers to direct their own services; (2) allow the state to focus 8 on the provision of case management services to consumers; (3) 9 enhance the efficient and effective delivery of home-based services 10 11 by using an entity that provides the administrative functions of an employer and supports the consumer to manage the services provided in 12 their own homes; (4) eliminate the possible classification of the 13 14 state as the joint employer of individual providers; (5) prevent or reduce unnecessary and costly utilization of hospitals and 15 16 institutions by taking a step toward integration of home care workers 17 into a coordinated delivery system; and (6) support the development of new technology and interventions to enhance the skills of home 18 care workers and services provided to consumers. 19

20 The legislature does not intend for the consumer directed 21 employer program to replace the consumers' option to select a 22 qualified home care agency to provide authorized in-home care.

- 23 **Sec. 2.** RCW 74.39A.009 and 2012 c 164 s 202 and 2012 c 10 s 63 24 are each reenacted and amended to read as follows:
- The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
- 27 (1) "Adult family home" means a home licensed under chapter 28 70.128 RCW.
- 29 (2) "Adult residential care" means services provided by an assisted living facility that is licensed under chapter 18.20 RCW and that has a contract with the department under RCW 74.39A.020 to provide personal care services.
- 33 (3) "Assisted living facility" means a facility licensed under 34 chapter 18.20 RCW.
- 35 (4) "Assisted living services" means services provided by an assisted living facility that has a contract with the department under RCW 74.39A.010 to provide personal care services, intermittent nursing services, and medication administration services( $(\tau)$ ); and the ((resident is housed)) facility provides these services to

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- 1 residents who are living in ((a)) private apartment-like ((unit))
  2 units.
- 3 (5) "Community residential service business" means a business
  4 that:
- 5 (a) Is certified by the department of social and health services 6 to provide to individuals who have a developmental disability as 7 defined in RCW 71A.10.020(((4)))(5):
  - (i) Group home services;

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- 9 (ii) Group training home services;
- 10 (iii) Supported living services; or
- 11 (iv) Voluntary placement services provided in a licensed staff 12 residential facility for children;
- (b) Has a contract with the ((division of)) developmental disabilities administration to provide the services identified in (a) of this subsection; and
  - (c) All of the business's long-term care workers are subject to statutory or regulatory training requirements that are required to provide the services identified in (a) of this subsection.
- 19 (6) "Consumer" or "client" means a person who is receiving or has
  20 applied for services under this chapter, including a person who is
  21 receiving services from an individual provider.
  - (7) "Consumer directed employer" is a private entity that contracts with the department to be the legal employer of individual providers for purposes of performing administrative functions. The consumer directed employer is patterned after the agency with choice model, recognized by the federal centers for medicare and medicaid services for financial management in consumer directed programs. The entity's responsibilities are described in section 13 of this act and throughout this chapter and include: (a) Coordination with the consumer, who is the individual provider's managing employer; (b) withholding, filing, and paying income and employment taxes, including workers' compensation premiums and unemployment taxes, for individual providers; (c) verifying an individual provider's qualifications; and (d) providing other administrative and employment-related supports. The consumer directed employer is a social service agency and its employees are mandated reporters as defined in RCW 74.34.020.
- 38 <u>(8)</u> "Core competencies" means basic training topics, including 39 but not limited to, communication skills, worker self-care, problem 40 solving, maintaining dignity, consumer directed care, cultural

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sensitivity, body mechanics, fall prevention, skin and body care, long-term care worker roles and boundaries, supporting activities of daily living, and food preparation and handling.

((<del>(7)</del>)) (9) "Cost-effective care" means care provided in a setting of an individual's choice that is necessary to promote the most appropriate level of physical, mental, and psychosocial well-being consistent with client choice, in an environment that is appropriate to the care and safety needs of the individual, and such care cannot be provided at a lower cost in any other setting. But this in no way precludes an individual from choosing a different residential setting to achieve his or her desired quality of life.

 $((\frac{8}{}))$  (10) "Department" means the department of social and 13 health services.

 $((\frac{9}{}))$  (11) "Developmental disability" has the same meaning as defined in RCW 71A.10.020.

 $((\frac{10}{10}))$  <u>(12)</u> "Direct care worker" means a paid caregiver who provides direct, hands-on personal care services to persons with disabilities or the elderly requiring long-term care.

 $((\frac{11}{11}))$  (13) "Enhanced adult residential care" means services provided by an assisted living facility that is licensed under chapter 18.20 RCW and that has a contract with the department under RCW 74.39A.010 to provide personal care services, intermittent nursing services, and medication administration services.

(((12) "Functionally disabled person" or "person who is functionally disabled" is synonymous with chronic functionally disabled and means a person who because of a recognized chronic physical or mental condition or disease, or developmental disability, including chemical dependency, is impaired to the extent of being dependent upon others for direct care, support, supervision, or monitoring to perform activities of daily living. "Activities of daily living", in this context, means self-care abilities related to personal care such as bathing, eating, using the toilet, dressing, and transfer. Instrumental activities of daily living may also be used to assess a person's functional abilities as they are related to the mental capacity to perform activities in the home and the community such as cooking, shopping, house cleaning, doing laundry, working, and managing personal finances.

(13)) (14) "Facility" means an adult family home, an assisted living facility, a nursing home, an enhanced services facility licensed under chapter 70.97 RCW, or a facility certified to provide

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medicare or medicaid services in nursing facilities or intermediate care facilities for individuals with intellectual disabilities under 42 C.F.R. Part 483.

<u>(15)</u> "Home and community-based services" means <u>services provided</u> <u>in</u> adult family homes, in-home services, and other services administered or provided by contract by the department directly or through contract with area agencies on aging or similar services provided by facilities and agencies licensed <u>or certified</u> by the department.

 $((\frac{14}{1}))$  (16) "Home care aide" means a long-term care worker who  $(\frac{14}{1})$  (the department of health under chapter 18.88B RCW.

 $((\frac{15}{15}))$  <u>(17)</u> "Individual provider" is defined according to RCW 14 74.39A.240.

(18) "Legal employer" means the consumer directed employer, which along with the consumer, coemploys individual providers. The legal employer is responsible for setting wages and benefits for individual providers and must comply with applicable laws including, but not limited to, workers compensation and unemployment insurance laws.

(((16))) (19) "Long-term care" ((is synonymous with chronic care and)) means care and supports delivered indefinitely, intermittently, or over a sustained time to persons of any age who are functionally disabled ((by)) due to chronic mental or physical illness, disease, chemical dependency, or a medical condition that is permanent, not  $((reversible \ or))$  curable, or is long-lasting and severely limits their mental or physical capacity for self-care. The use of this definition is not intended to expand the scope of services, care, or assistance provided by any individuals, groups, residential care settings, or professions unless otherwise ((expressed)) required by law.

((\(\frac{(17)}{17}\)) (20)(a) "Long-term care workers" include all persons who provide paid, hands-on personal care services for the elderly or persons with disabilities, including but not limited to individual providers of home care services, direct care workers employed by home care agencies or a consumer directed employer, providers of home care services to persons with developmental disabilities under Title 71A RCW, all direct care workers in state-licensed assisted living facilities, enhanced services facilities, and adult family homes, respite care providers, direct care workers employed by community residential service businesses, and any other direct care worker

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providing home or community-based services to the elderly or persons with functional disabilities or developmental disabilities.

- (b) "Long-term care workers" do not include: (i) Persons employed by the following facilities or agencies: Nursing homes ((subject to)) licensed under chapter 18.51 RCW, hospitals or other acute care settings, residential habilitation centers under chapter 71A.20 RCW, facilities certified under 42 C.F.R., Part 483, hospice agencies subject to chapter 70.127 RCW, adult day care centers, and adult day health care centers; or (ii) persons who are not paid by the state or by a private agency or facility licensed or certified by the state to provide personal care services.
- ((\(\frac{(18)}{)}\)) (21) "Managing employer" means a consumer who coemploys one or more individual providers and whose responsibilities include (a) choosing potential individual providers and referring them to the consumer directed employer; (b) overseeing the day-to-day management and scheduling of the individual provider's tasks consistent with the plan of care; and (c) dismissing the individual provider when desired.
- 19 <u>(22)</u> "Nursing home" <u>or "nursing facility"</u> means a facility 20 licensed under chapter 18.51 RCW <u>or certified as a medicaid nursing</u> 21 <u>facility under 42 C.F.R. Part 483, or both</u>.
  - person who because of a recognized chronic physical or mental condition or disease, including chemical dependency or developmental disability, is dependent upon others for direct care, support, supervision, or monitoring to perform activities of daily living. "Activities of daily living," in this context, means self-care abilities related to personal care such as bathing, eating, using the toilet, dressing, and transfer. Instrumental activities of daily living such as cooking, shopping, house cleaning, doing laundry, working, and managing personal finances may also be considered when assessing a person's functional abilities to perform activities in the home and the community.
  - (24) "Personal care services" means physical or verbal assistance with activities of daily living and instrumental activities of daily living provided because of a person's functional disability.
  - $((\frac{20}{10}))$  <u>(25)</u> "Population specific competencies" means basic training topics unique to the care needs of the population the long-term care worker is serving, including but not limited to, mental

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1 health, dementia, developmental disabilities, young adults with 2 physical disabilities, and older adults.

 $((\frac{21}{21}))$  (26) "Qualified instructor" means a registered nurse or other person with specific knowledge, training, and work experience in the provision of direct, hands-on personal care and other assistance services to the elderly or persons with disabilities requiring long-term care.

 $((\frac{(22)}{)})$  "Secretary" means the secretary of social and 9 health services.

((<del>23)</del> "Secretary of health" means the secretary of health or the secretary's designee.

(24))) (28) "Training partnership" means a joint partnership or trust that includes the office of the governor and the exclusive bargaining representative of individual providers under RCW 74.39A.270 with the capacity to provide training, peer mentoring, and workforce development, or other services to individual providers.

 $((\frac{25}{1}))$  (29) "Tribally licensed assisted living facility" means an assisted living facility licensed by a federally recognized Indian tribe in which a facility provides services similar to services provided by assisted living facilities licensed under chapter 18.20 RCW.

- NEW SECTION. Sec. 3. A new section is added to chapter 74.39A RCW to read as follows:
  - (1) The department may establish and implement a consumer directed employer program to provide personal care, respite care, and similar services to individuals with functional impairments under programs authorized through the medicaid state plan or medicaid waiver authorities and similar state-funded in-home care programs.
  - (a) The consumer directed employer program is a consumer directed program and must be operated in a manner consistent with federal medicaid requirements. The consumer directed employer is the legal employer of individual providers for administrative purposes.
  - (b) Under the consumer directed employer program, the consumer is the managing employer of individual providers and retains the primary right to select, dismiss, assign hours, and supervise the work of one or more individual providers, as long as the consumer's actions are consistent with the consumer's plan of care, this chapter, and state and federal law.

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(2) The department shall endeavor to select and contract with one consumer directed employer to be a medicaid provider that will coemploy individual providers. The department shall make every effort to select a single qualified vendor. In the event it is not possible to contract with a single vendor, the department is authorized to contract with up to two vendors. The department's activities to identify, select, and contract with a consumer directed employer are exempt from the requirements of chapter 39.26 RCW.

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- 9 (a) When contracting with a consumer directed employer, the 10 department should seek to contract with a vendor that demonstrates:
  - (i) A strong commitment to consumer choice, self-direction, and maximizing consumer autonomy and control over daily decisions; and
  - (ii) A commitment to recruiting and retaining a high quality and diverse workforce and working with a broad coalition of stakeholders in an effort to understand the changing needs of the workforce and consumer needs and preferences.
  - (b) Additional factors the department should consider in selecting a vendor include, but are not limited to, the vendor's:
  - (i) Ability to provide maximum support to consumers to focus on directing their own services through a model that recognizes that the provision of employer responsibility and human resource administration support is integral to successful self-directed home care programs;
  - (ii) Commitment to engage and work closely with consumers in design, implementation, and on-going operations through an advisory board, focus group, or other methods as approved by the department;
  - (iii) Focus on workforce retention and creating incentives for qualified and trained providers to meet the growing needs of state long-term care consumers;
- 30 (iv) Ability to meet the state's interest in preventing or 31 mitigating disruptions to consumer services;
- (v) Ability to deliver high quality training, health care, and retirement, which may include participation in existing trusts that deliver those benefits;
- (vi) Ability to comply with the terms and conditions of employment of individual providers at the time of the transition;
- (vii) Commitment to involving its home care workforce in decision making;

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(viii) Vision for including and enhancing home care workers as a valued member of the consumer's care team, as desired and authorized by the consumer and reflected in the consumer's plan of care; and

- (ix) Ability to build and adapt technology tools that can enhance efficiency and provide better quality of services.
- (c) In order to be qualified as a consumer directed employer, an entity must meet the requirements in: (i) Its contract with the department; (ii) the medicaid state plan; (iii) rules adopted under this chapter, if any; and (iv) this section.
- (d) Any qualified and willing individual may apply to become an employee of a consumer directed employer and may work as an individual provider when selected by a consumer.
- (e) A consumer directed employer that holds a contract with the department to provide medicaid services through the employment of individual providers is deemed to be a certified medicaid provider.
- (f) A consumer directed employer is not a home care agency under chapter 70.127 RCW.
  - (g) A consumer directed employer that also provides home care services under chapter 70.127 RCW must demonstrate to the department's satisfaction that it operates the programs under separate business units, and that its business structures, policies, and procedures will prevent any conflicts of interest.
  - (3) If the department selects and contracts with a consumer directed employer, the department shall determine when to terminate the department's contracts with individual providers.
  - (a) Until the department determines the transition to the consumer directed employer program is complete, the state shall continue to administer the individual provider program for the remaining contracted individual providers and to act as the public employer solely for the purpose of collective bargaining under RCW 74.39A.270 for those directly contracted individual providers.
- (b) Once the department determines that the transition to the consumer directed employer is complete, the department may no longer contract with individual providers, unless there are not any contracted consumer directed employers available.
- (4) The department shall convene a stakeholder group to make recommendations to the legislature on the establishment of a separate licensure or certification category for a consumer directed employer. The stakeholder group shall make their recommendations by October 1, 2018.

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(5) The department of labor and industries shall initially place individual providers employed by a consumer directed employer in the classification for the home care services and home care referral registry. After the department determines that the transition to the consumer directed employer program is complete, the department of labor and industries may, if necessary, adjust the classification and rate in accordance with chapter 51.16 RCW.

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- (6) After the date on which the department enters into a contract 8 with the consumer directed employer and determines the transition to 9 the consumer directed employer program is complete, biennial funding 10 11 in the next ensuing biennium for case management and social work shall be reduced by no more than: Two million nine hundred eight 12 thousand dollars for area agencies on aging; one million three 13 14 hundred sixty-one thousand dollars for home and community services; one million two hundred eighty-nine thousand dollars for 15 16 developmental disabilities.
- NEW SECTION. Sec. 4. A new section is added to chapter 74.39A RCW to read as follows:
- The department may adopt any rules as it deems necessary to implement the provisions of this act.
- NEW SECTION. Sec. 5. A new section is added to chapter 74.39A 22 RCW to read as follows:
  - (1) Nothing in this act modifies the department's:
  - (a) Authority to establish a plan of care for each consumer, including establishing the number of hours in a week a consumer may assign to any one provider consistent with section 26 of this act;
  - (b) Core responsibility to manage long-term in-home care services under this chapter, including determination of the level of care that each consumer is eligible to receive;
  - (c) Obligation to comply with the federal medicaid laws and regulations, the state medicaid plan, or any waiver granted by the federal department of health and human services; and to ensure federal financial participation in the provision of services.
  - (2) Nothing in this act modifies the legislature's right to make programmatic modifications to the delivery of state services under this title, including eligibility standards for consumers, standards for individual providers, and the nature of services provided.

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- 1 (3) Nothing in this chapter shall cause individuals who were 2 hired as long-term care workers prior to January 7, 2012, to lose 3 their exemption from certification requirements under RCW 18.88B.041 4 solely because they became employees of a consumer directed employer.
- 5 **Sec. 6.** RCW 74.39A.030 and 2012 c 10 s 66 are each amended to 6 read as follows:

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- (1) To the extent of available funding, the department shall expand cost-effective options for home and community services for consumers for whom the state participates in the cost of their care.
- (2) In expanding home and community services, the department  $shall((\div (a)))$  take full advantage of federal funding available under Title XVIII and Title XIX of the federal social security act, including home health, adult day care, waiver options, and state plan  $services((\dot{\tau}))$  and  $((\frac{\dot{\tau}}{\dot{\tau}}))$  be authorized to use funds available under its community options program entry system waiver granted under section 1915(c) of the federal social security act to)) expand the availability of in-home((<del>, adult</del>)) <u>services and</u> residential ((<del>care</del>)) services, including services in adult family homes, ((enhanced adult residential care, and)) assisted living facilities, and enhanced services <u>facilities</u>. ((By June 30, 1997, the department shall undertake to reduce the nursing home medicaid census by at least one thousand six hundred by assisting individuals who would otherwise require nursing facility services to obtain services of their choice, including assisted living services, enhanced adult residential care, and other home and community services. If a resident, or his or her legal representative, objects to a discharge decision initiated by the department, the resident shall not be discharged if the resident has been assessed and determined to require nursing facility services. In contracting with nursing homes and assisted living facilities for enhanced adult residential care placements, the department shall not require, by contract or through other means, structural modifications to existing building construction.))
- (3)(a) The department shall by rule establish payment rates for home and community services that support the provision of cost-effective care. In the event of any conflict between any such rule and a collective bargaining agreement entered into under RCW 74.39A.270 and 74.39A.300, the collective bargaining agreement prevails.

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(b) The department may authorize an enhanced adult residential care rate for nursing homes that temporarily or permanently convert their bed use for the purpose of providing enhanced adult residential care under chapter 70.38 RCW, when the department determines that payment of an enhanced rate is cost-effective and necessary to foster expansion of contracted enhanced adult residential care services. As an incentive for nursing homes to permanently convert a portion of its nursing home bed capacity for the purpose of providing enhanced adult residential care, the department may authorize a supplemental add-on to the enhanced adult residential care rate.

- (c) The department may authorize a supplemental assisted living services rate for up to four years for facilities that convert from nursing home use and do not retain rights to the converted nursing home beds under chapter 70.38 RCW, if the department determines that payment of a supplemental rate is cost-effective and necessary to foster expansion of contracted assisted living services.
- **Sec. 7.** RCW 74.39A.051 and 2012 c 164 s 701 are each amended to 18 read as follows:
  - The department's system of quality improvement for long-term care services shall use the following principles, consistent with applicable federal laws and regulations:
  - (1) The system shall be client-centered and promote privacy, independence, dignity, choice, and a home or home-like environment for consumers consistent with chapter 392, Laws of 1997.
  - (2) The goal of the system is continuous quality improvement with the focus on consumer satisfaction and outcomes for consumers. This includes that when conducting licensing or contract inspections, the department shall interview an appropriate percentage of residents, family members, resident case managers, and advocates in addition to interviewing providers and staff.
- 31 (3) Providers should be supported in their efforts to improve 32 quality and address identified problems initially through training, 33 consultation, technical assistance, and case management.
  - (4) The emphasis should be on problem prevention both in monitoring and in screening potential providers of service.
  - (5) Monitoring should be outcome based and responsive to consumer complaints and based on a clear set of health, quality of care, and safety standards that are easily understandable and have been made available to providers, residents, and other interested parties.

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(6) Prompt and specific enforcement remedies shall also be implemented without delay, pursuant to RCW 70.97.110, 71A.12.300, 74.39A.080, or 70.128.160, or chapter 18.51 or 74.42 RCW, for providers found to have delivered care or failed to deliver care resulting in problems that are serious, recurring, or uncorrected, or that create a hazard that is causing or likely to cause death or serious harm to one or more residents. These enforcement remedies may also include, when appropriate, reasonable conditions on a contract or license. In the selection of remedies, the safety, health, and well-being of residents shall be of paramount importance.

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- (7) Background checks of long-term care workers must be conducted as provided in RCW 74.39A.056.
- (8) Except as provided in RCW 74.39A.074 and 74.39A.076, individual providers and home care agency providers must satisfactorily complete department-approved orientation, training, and continuing education within the time period specified by the department in rule. The department shall adopt rules ((for the implementation of)) to implement this section. The department shall deny payment to ((an individual provider)) a consumer directed employer or a home care ((provider)) agency for services provided by employees who ((does)) have not ((complete)) completed the training requirements within the time limit specified by ((the)) department ((by rule)) rules. The department shall deny payment to any individual providers who provide services under a contract with the department if they have been notified that they are no longer permitted to work because they have not completed the training requirements within the time period required by department rules.
- 28 (9) Under existing funds the department shall establish 29 internally a quality improvement standards committee to monitor the 30 development of standards and to suggest modifications.
- 31 **Sec. 8.** RCW 74.39A.056 and 2012 c 164 s 503 are each amended to 32 read as follows:
- 33 (1)(a) All long-term care workers shall be screened through state
  34 and federal background checks in a uniform and timely manner to
  35 verify that they do not have a ((eriminal)) history that would
  36 disqualify them from working with vulnerable persons. The department
  37 must ((perform criminal)) process background checks for ((individual)
  38 providers and prospective individual providers)) long-term care

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workers and make the information available to employers, prospective employers, and others as ((provided)) authorized by law.

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- (b)(i) Except as provided in (b)(ii) of this subsection, for long-term care workers hired on or after January 7, 2012, background checks required under this section shall include checking against the federal bureau of investigation fingerprint identification records system and against the national sex offenders registry or their successor programs. The department shall require these long-term care workers to submit fingerprints for the purpose of investigating conviction records through both the Washington state patrol and the federal bureau of investigation. The department shall not pass on the cost of these criminal background checks to the workers or their employers.
- (ii) This subsection does not apply to long-term care workers employed by community residential service businesses until January 1, 2016.
- 17 (c) The department shall share state and federal background check 18 results with the department of health in accordance with RCW 19 18.88B.080.
- 20 <u>(d) Background check screening required under this section and</u> 21 <u>department rules is not required for an employee of a consumer</u> 22 <u>directed employer if all of the following circumstances apply:</u>
- 23 <u>(i) The individual has an individual provider contract with the</u> 24 department;
  - (ii) The last background check on the contracted individual provider is still valid under department rules and did not disqualify the individual from providing personal care services;
  - (iii) Employment by the consumer directed employer is the only reason a new background check would be required; and
- 30 <u>(iv) The department's background check results have been shared</u>
  31 <u>with the consumer directed employer.</u>
  - (2) No provider, or its staff, or long-term care worker, or prospective provider or long-term care worker, with a stipulated finding of fact, conclusion of law, an agreed order, or finding of fact, conclusion of law, or final order issued by a disciplining authority or a court of law or entered into a state registry with a final substantiated finding of abuse, neglect, exploitation, or abandonment of a minor or a vulnerable adult as defined in chapter 74.34 RCW shall be employed in the care of and have unsupervised access to vulnerable adults.

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- (3) The department shall establish, by rule, a state registry which contains identifying information about long-term care workers identified under this chapter who have final substantiated findings of abuse, neglect, financial exploitation, or abandonment of a vulnerable adult as defined in RCW 74.34.020. The rule must include disclosure, disposition of findings, notification, findings of fact, appeal rights, and fair hearing requirements. The department shall disclose, upon request, final substantiated findings of abuse, neglect, financial exploitation, or abandonment to any person so requesting this information. This information must also be shared with the department of health to advance the purposes of chapter 18.88B RCW.
- 13 (4) The department shall adopt rules to implement this section.
- **Sec. 9.** RCW 74.39A.060 and 2013 c 23 s 227 are each amended to 15 read as follows:

- (1) The aging and ((adult services)) long-term support administration of the department shall establish and maintain a toll-free telephone number for receiving complaints regarding ((a facility that the administration licenses or with which it contracts for long-term care services)) facilities and community residential services businesses as defined in this chapter.
- (2) ((All facilities that are licensed by, or that contract with the aging and adult services administration to provide chronic long-term care services)) Each facility shall post in a place and manner clearly visible to residents and visitors the department's toll-free complaint telephone number and the toll-free number and program description of the long-term care ombuds as ((provided)) required by RCW 43.190.050.
- (3) The aging and ((adult services)) long-term support administration shall investigate complaints ((if the subject of the complaint is within its authority)) it receives about facilities and community residential services businesses unless the department determines that: (a) The complaint is intended to willfully harass ((a licensee or employee of the licensee)) the provider or the provider's employee; or (b) there is no reasonable basis for investigation; or (c) corrective action has been taken as determined by the ombuds or the department.
- 38 (4) The aging and ((adult services)) <u>long-term support</u> 39 administration shall refer complaints to appropriate state agencies,

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- law enforcement agencies, the attorney general, the long-term care ombuds, or other entities if the department lacks authority to investigate or if its investigation reveals that a follow-up referral to one or more of these entities is appropriate.
  - (5) The department shall adopt rules that include the following complaint investigation protocols:

- (a) Upon receipt of a complaint, the department shall make a preliminary review of the complaint, assess the severity of the complaint, and assign an appropriate response time. Complaints involving imminent danger to the health, safety, or well-being of a resident must be responded to within two days. When appropriate, the department shall make an on-site investigation within a reasonable time after receipt of the complaint or otherwise ensure that complaints are responded to.
- (b) The complainant must be: Promptly contacted by the department, unless anonymous or unavailable despite several attempts by the department, and informed of the right to discuss the alleged violations with the inspector and to provide other information the complainant believes will assist the inspector; informed of the department's course of action; and informed of the right to receive a written copy of the investigation report.
- (c) In conducting the investigation, the department shall interview the complainant, unless anonymous, and shall use its best efforts to interview the vulnerable adult or adults allegedly harmed, and, consistent with the protection of the vulnerable adult shall interview facility staff, any available independent sources of relevant information, including if appropriate the family members of the vulnerable adult.
- (d) Substantiated complaints involving harm to a resident, if an applicable law or rule has been violated, shall be subject to one or more of the actions provided in RCW 74.39A.080 or 70.128.160. Whenever appropriate, the department shall also give consultation and technical assistance to the provider.
- (e) After a department finding of a violation for which a stop placement has been imposed, the department shall make an on-site revisit of the provider within fifteen working days from the request for revisit, to ensure correction of the violation. For violations that are serious or recurring or uncorrected following a previous citation, and create actual or threatened harm to one or more residents' well-being, including violations of residents' rights, the

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department shall make an on-site revisit as soon as appropriate to ensure correction of the violation. Verification of correction of all other violations may be made by either a department on-site revisit or by written or photographic documentation found by the department to be credible. This subsection does not prevent the department from enforcing license or contract suspensions or revocations. Nothing in this subsection shall interfere with or diminish the department's authority and duty to ensure that the provider adequately cares for residents, including to make departmental on-site revisits as needed to ensure that the provider protects residents and to enforce compliance with this chapter.

- (f) Substantiated complaints of neglect, abuse, exploitation, or abandonment of residents, or suspected criminal violations, shall also be referred by the department to the appropriate law enforcement agencies, the attorney general, and appropriate professional disciplining authority.
- (6) The department may provide the substance of the complaint to the licensee or contractor before the completion of the investigation by the department unless such disclosure would reveal the identity of a complainant, witness, or resident who chooses to remain anonymous. Neither the substance of the complaint provided to the licensee or contractor nor any copy of the complaint or related report published, released, or made otherwise available shall disclose, or reasonably lead to the disclosure of, the name, title, or identity of any complainant, or other person mentioned in the complaint, except that the name of the provider and the name or names of any officer, employee, or agent of the department conducting the investigation shall be disclosed after the investigation has been closed and the complaint has been substantiated. The department may disclose the identity of the complainant if such disclosure is requested in writing by the complainant. Nothing in this subsection shall be construed to interfere with the obligation of the long-term care ombuds program or department staff to monitor the department's licensing, contract, and complaint investigation files for long-term care facilities.
- (7) The resident has the right to be free of interference, coercion, discrimination, and reprisal from a facility in exercising his or her rights, including the right to voice grievances about treatment furnished or not furnished. A facility that provides long-term care services shall not discriminate or retaliate in any manner

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1 against a resident, employee, or any other person on the basis or for the reason that such resident or any other person made a complaint to 2 3 the department, the attorney general, law enforcement agencies, or long-term care ombuds, provided information, or 4 otherwise cooperated with the investigation of such a complaint. Any attempt to 5 6 discharge a resident against the resident's wishes, or any type of 7 retaliatory treatment of a resident by whom or upon whose behalf a complaint substantiated by the department has been made to the 8 department, the attorney general, law enforcement agencies, or the 9 10 long-term care ombuds, within one year of the filing of the 11 complaint, raises a rebuttable presumption that such action was in 12 retaliation for the filing of the complaint. "Retaliatory treatment" means, but is not limited to, monitoring a resident's phone, mail, or 13 visits; involuntary seclusion or isolation; transferring a resident 14 to a different room unless requested or based upon legitimate 15 16 management reasons; withholding or threatening to withhold food or 17 treatment unless authorized by a terminally ill resident or his or 18 representative pursuant to law; or persistently delaying 19 responses to a resident's request for service or assistance. A facility that provides long-term care services shall not willfully 20 21 interfere with the performance of official duties by a long-term care 22 ombuds. The department shall sanction and may impose a civil penalty 23 of not more than three thousand dollars for a violation of this 24 subsection.

Sec. 10. RCW 74.39A.086 and 2012 c 164 s 602 are each amended to read as follows:

## (1) ((The department:

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- (a) Shall deny payment to any individual provider of home care services who has not been certified as a home care aide as required under chapter 18.88B RCW or whose certification is revoked or, if exempted from certification under RCW 18.88B.041, who has not completed his or her required training pursuant to RCW 74.39A.074.
- (b) May terminate the contract of any individual provider of home care services, or take any other enforcement measure deemed appropriate by the department if the individual provider has not been certified or the individual provider's certification is revoked under chapter 18.88B RCW or, if exempted from certification by RCW 18.88B.041, the individual provider has not completed his or her required training pursuant to RCW 74.39A.074.

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(2))) The department shall take appropriate enforcement action related to the contract of a consumer directed employer or a licensed or certified private agency or facility ((licensed by the state to provide personal care)) that provides long-term care services((rother than an individual provider, who)) and knowingly employs a long-term care worker who is not a certified home care aide as required under chapter 18.88B RCW ((or whose certification is revoked)) or, if exempted from certification under RCW 18.88B.041, who has not completed his or her required training ((pursuant to)) under RCW 74.39A.074.

- (2) The department shall deny payment to individual providers who provided services under a contract with the department if they have been notified that they are no longer permitted to work because they:
- 14 <u>(a) Were not certified as home care aides as required under</u> 15 <u>chapter 18.88B RCW; or</u>
  - (b) Had not completed the training required under RCW 74.39A.074.
- 17 (3) The department may terminate the contract of any individual provider under contract with the department who:
- 19 <u>(a) Is not certified as a home care aide as required under</u> 20 <u>chapter 18.88B RCW; or</u>
  - (b) Has not completed the training required under RCW 74.39A.074.
- 22 <u>(4)</u> Chapter 34.05 RCW shall govern actions by the department 23 under this section.
- (((4))) (5) The department shall adopt rules to implement this section.
- **Sec. 11.** RCW 74.39A.090 and 2013 c 320 s 10 are each amended to read as follows:
  - (1) ((The legislature intends that any staff reassigned by the department as a result of shifting of the reauthorization responsibilities by contract outlined in this section shall be dedicated for discharge planning and assisting with discharge planning and information on existing discharge planning cases.)) Discharge planning, as directed in this section, is intended for residents and patients identified for discharge to long-term ((eare pursuant to)) services under RCW 70.41.320, 74.39A.040, ((and)) or 74.42.058. The purpose of discharge planning is to protect residents and patients from the financial incentives inherent in keeping residents or patients in a more expensive higher level of care and

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shall focus on care options that are in the best interest of the patient or resident.

- (2) The department shall, consistent with the intent of this section, contract with area agencies on aging:
- (a) To provide case management services to consumers receiving home and community services in their own home; and
- (b) To reassess and reauthorize home and community services in home or in other settings for consumers ((consistent with the intent of this section)):
- 10 (i) Who have been initially authorized by the department to 11 receive home and community services; and
- 12 (ii) Who, at the time of reassessment and reauthorization, are 13 receiving home and community services in their own home.
  - (3) In the event that an area agency on aging is unwilling to enter into or satisfactorily fulfill a contract or an individual consumer's need for case management services will be met through an alternative delivery system, the department is authorized to:
    - (a) Obtain the services through competitive bid; and
  - (b) Provide the services directly until a qualified contractor can be found.
    - (4)(a) The department shall include, in its oversight and monitoring of area agency on aging performance, assessment of case management roles undertaken by area agencies on aging in this section. The scope of oversight and monitoring includes, but is not limited to, assessing the degree and quality of the case management performed by area agency on aging staff for elderly and persons with disabilities in the community.
    - (b) The department shall incorporate the expected outcomes and criteria to measure the performance of service coordination organizations into contracts with area agencies on aging as provided in chapter 70.320 RCW.
    - (5) Area agencies on aging shall assess the quality of the inhome care services provided to consumers who are receiving services under ((the medicaid personal care, community options programs entry system or chore services program)) programs authorized through the medicaid state plan, medicaid waiver authorities, or similar state-funded in-home care programs through an individual provider or home care agency. Quality indicators may include, but are not limited to, home care consumers satisfaction surveys, how quickly home care consumers are linked with home care workers, and whether the plan of

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1 care under RCW 74.39A.095 has been honored by the agency or the 2 individual provider.

- (6) The department shall develop model language for the plan of care established in RCW 74.39A.095. The plan of care shall be in clear language, and written at a reading level that will ensure the ability of consumers to understand the rights and responsibilities expressed in the plan of care.
- **Sec. 12.** RCW 74.39A.095 and 2014 c 40 s 1 are each amended to 9 read as follows:
  - (1) In carrying out case management responsibilities established under RCW 74.39A.090 for consumers who are receiving services under ((the medicaid personal care, community options programs entry system or chore services program through an individual provider, each area agency on aging shall provide oversight of the care being provided to consumers receiving services under this section)) programs authorized through the medicaid state plan, medicaid waiver authorities, or similar state-funded in-home care programs, to the extent of available funding((. Case management responsibilities incorporate this oversight, and include, but are not limited to:
- 20 (a) Verification that any individual provider has met any 21 training requirements established by the department;
  - (b) Verification of a sample of worker time sheets until the state electronic payment system is available for individual providers to record their hours at which time a verification of worker time sheets may be done electronically;
  - (c) Monitoring the consumer's plan of care to verify that it adequately meets the needs of the consumer, through activities such as home visits, telephone contacts, and responses to information received by the area agency on aging indicating that a consumer may be experiencing problems relating to his or her home care;
    - (d) Reassessing and reauthorizing services;
    - (e) Monitoring of individual provider performance; and
  - (f) Conducting criminal background checks or verifying that criminal background checks have been conducted for any individual provider. Individual providers who are hired after January 7, 2012, are subject to background checks under RCW 74.39A.056)), each area agency on aging shall:
- 38 <u>(a) Work with each client to develop a plan of care under this</u> 39 section that identifies and ensures coordination of health and long-

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- term care services and supports. In developing the plan, the area agency on aging shall use and modify as needed any comprehensive plan of care developed by the department as provided in RCW 74.39A.040;
  - (b) Monitor the implementation of the consumer's plan of care to verify that it adequately meets the needs of the consumer through activities such as home visits, telephone contacts, and responses to information received by the area agency on aging indicating that a consumer may be experiencing problems relating to his or her home care;
    - (c) Reassess and reauthorize services;

- (d) Explain to the consumer that consumers have the right to waive case management services offered by the area agency on aging, except consumers may not waive the area agency on aging's reassessment or reauthorization of services, or verification that services are being provided in accordance with the plan of care; and
- 16 <u>(e) Document the waiver of any case management services by the</u>
  17 <u>consumer</u>.
  - (2) ((The area agency on aging case manager shall work with each consumer to develop a plan of care under this section that identifies and ensures coordination of health and long-term care services that meet the consumer's needs. In developing the plan, they shall utilize, and modify as needed, any comprehensive community service plan developed by the department as provided in RCW 74.39A.040. The plan of care shall include, at a minimum:
  - (a) The name and telephone number of the consumer's area agency on aging case manager, and a statement as to how the case manager can be contacted about any concerns related to the consumer's well-being or the adequacy of care provided;
  - (b) The name and telephone numbers of the consumer's primary health care provider, and other health or long-term care providers with whom the consumer has frequent contacts;
  - (c) A clear description of the roles and responsibilities of the area agency on aging case manager and the consumer receiving services under this section;
- 35 (d) The duties and tasks to be performed by the area agency on 36 aging case manager and the consumer receiving services under this 37 section;
- 38 (e) The type of in-home services authorized, and the number of hours of services to be provided;
  - (f) The terms of compensation of the individual provider;

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(g) A statement by the individual provider that he or she has the ability and willingness to carry out his or her responsibilities relative to the plan of care; and

(h)(i) Except as provided in (h)(ii) of this subsection, a clear statement indicating that a consumer receiving services under this section has the right to waive any of the case management services offered by the area agency on aging under this section, and a clear indication of whether the consumer has, in fact, waived any of these services.

(ii) The consumer's right to waive case management services does not include the right to waive reassessment or reauthorization of services, or verification that services are being provided in accordance with the plan of care.

(3) Each area agency on aging shall retain a record of each waiver of services included in a plan of care under this section.

(4))) Each consumer has the right to direct and participate in the development of their plan of care to the maximum <u>extent</u> practicable ((extent of their abilities and desires)), and to be provided with the time and support necessary to facilitate that participation.

((+5)) (3) As authorized by the consumer, a copy of the plan of care ((must)) may be distributed to: (a) The consumer's ((primary care provider,)) individual provider((-7)) contracted with the department; (b) the entity contracted with the department to provide personal care services; and (c) other relevant providers with whom the consumer has frequent contact((-7)).

((<del>6)</del> The consumer's plan of care shall be an attachment to the contract between the department, or their designee, and the individual provider.

(7) If the department or area agency on aging case manager finds that an individual provider's inadequate performance or inability to deliver quality care is jeopardizing the health, safety, or well-being of a consumer receiving service under this section, the department or the area agency on aging may take action to terminate the contract between the department and the individual provider. If the department or the area agency on aging has a reasonable, good faith belief that the health, safety, or well-being of a consumer is in imminent jeopardy, the department or area agency on aging may summarily suspend the contract pending a fair hearing. The consumer may request a fair hearing to contest the planned action of the case

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manager, as provided in chapter 34.05 RCW. The department may by rule adopt guidelines for implementing this subsection.

- (8) The department or area agency on aging may reject a request by a consumer receiving services under this section to have a family member or other person serve as his or her individual provider if the case manager has a reasonable, good faith belief that the family member or other person will be unable to appropriately meet the care needs of the consumer. The consumer may request a fair hearing to contest the decision of the case manager, as provided in chapter 34.05 RCW. The department may by rule adopt guidelines for implementing this subsection.))
- 12 <u>(4) If an individual provider is employed by a consumer directed</u>
  13 <u>employer, the department or area agency on aging must notify the</u>
  14 <u>consumer directed employer if:</u>
  - (a) There is reason to believe that an individual provider or prospective individual provider is not delivering or will not be able to deliver the services identified in the consumer's plan of care; or
- 18 <u>(b) The individual provider's performance is jeopardizing the</u>
  19 <u>health, safety, or well-being of a consumer receiving services under</u>
  20 <u>this section.</u>
- NEW SECTION. Sec. 13. A new section is added to chapter 74.39A RCW to read as follows:
- 23 (1) If a consumer directed employer employs individual providers, 24 then the consumer directed employer shall:
  - (a) Verify that each individual provider has met any training requirements established under this chapter and rules adopted under this chapter;
    - (b) Conduct background checks on individual providers as required under this chapter, RCW 43.43.830 through 43.43.842, 43.20A.710, and the rules adopted by the department; or verify that a background check has been conducted for each individual provider and that the background check is still valid in accordance with department rules;
  - (c) Implement an electronic visit verification system that complies with federal requirements, or in the absence of an electronic visit verification system, monitor a statistically valid sample of individual provider's claims to the receipt of services by the consumer;
- 38 (d) Monitor individual provider compliance with employment 39 requirements;

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1 (e) As authorized and determined by the consumer, provide a copy 2 of the consumer's plan of care to the individual provider who has 3 been selected by the consumer;

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- (f) Verify the individual provider is able and willing to carry out his or her responsibilities under the plan of care;
  - (g) Take into account information provided by the consumer or the consumer's case manager about the consumer's specific needs;
  - (h) Discontinue the individual provider's assignment to a consumer when the consumer directed employer has reason to believe, or the department or area agency on aging has reported, that the health, safety, or well-being of a consumer is in imminent jeopardy due to the performance of the individual provider;
- (i) Reject a request by a consumer to assign a specific person as his or her individual provider, if the consumer directed employer has reason to believe that the individual will be unable to appropriately meet the care needs of the consumer; and
- 17 (j) Establish a dispute resolution process for consumers who wish 18 to dispute decisions made under (h) and (i) of this subsection.
  - (2) If any individual providers are contracted with the department to provide services under this chapter, the area agency on aging case management responsibilities shall include:
  - (a) Verifying that each individual provider has met all training requirements under this chapter and department rules;
  - (b) Conducting background checks on individual providers as required under this chapter, RCW 43.43.830 through 43.43.842, 43.20A.710, and department rules; or verifying that background checks have been conducted for each individual provider and that the background check is still valid in accordance with department rules;
- 29 (c) Monitoring that the individual provider is providing services 30 as outlined in the consumer's plan of care;
- 31 (d) Attaching the consumer's plan of care to the contract with 32 the individual provider;
  - (e) Verifying with the individual provider that he or she is able and willing to carry out his or her responsibilities under the plan of care;
- (f) Terminating the contract between the department and the individual provider if the department or area agency on aging finds that an individual provider's inadequate performance or inability to deliver quality care is jeopardizing the health, safety, or well-being of a consumer receiving service under this section;

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(g) Summarily suspending the contract pending a fair hearing, if there is reason to believe the health, safety, or well-being of a consumer is in imminent jeopardy; and

- 4 (h) Rejecting a request by a consumer receiving services under 5 this section to have a family member or other person serve as his or 6 her individual provider if the case manager has reason to believe 7 that the family member or other person will be unable to 8 appropriately meet the care needs of the consumer.
- 9 (3) The consumer may request a fair hearing under chapter 34.05 10 RCW to contest a planned action of the case manager under subsection 11 (2)(g) and (h) of this section.
- 12 (4) The department may adopt rules to implement this section.

## **Sec. 14.** RCW 74.39A.155 and 2008 c 146 s 8 are each amended to 14 read as follows:

Within funds appropriated for this purpose, the department shall provide additional support for residents in community settings who exhibit challenging behaviors that put them at risk for institutional placement. The residents must be receiving services under ((the community options program entry system waiver or the medically needy residential facility waiver under section 1905(c) of the federal social security act)) programs authorized through the medicaid state plan, medicaid waiver authorities, or similar state-funded in-home care programs, and must have been evaluated under the individual comprehensive assessment reporting and evaluation process.

## Sec. 15. RCW 74.39A.210 and 2001 c 319 s 13 are each amended to read as follows:

An employer providing home and community services, including facilities licensed under chapters 18.51, 18.20, 70.97, and 70.128 RCW, an employer of a program ((authorized)) operating under RCW 71A.12.040(10), a consumer directed employer, or an in-home services agency employer licensed under chapter 70.127 RCW, who discloses information about a former or current employee to a prospective home and community services employer, nursing home employer, consumer directed employer, or ((are an)) in-home services agency employer, is presumed to be acting in good faith and is immune from civil and criminal liability for such disclosure or its consequences if the disclosed information relates to: (1) The employee's ability to perform his or her job; (2) the diligence, skill, or reliability with

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- 1 which the employee carried out the duties of his or her job; or (3) any illegal or wrongful act committed by the employee when related to 2 his or her ability to care for a vulnerable adult. For purposes of 3 this section, the presumption of good faith may only be rebutted upon 4 a showing by clear and convincing evidence that the information 5 б disclosed by the employer was knowingly false or made with reckless disregard for the truth of the information disclosed. ((Should)) If 7 the employee successfully ((rebut)) rebuts the presumption of good 8 faith standard in a court of competent jurisdiction, ((and therefore 9 be)) as the prevailing party, the ((prevailing party)) employee shall 10 11 be entitled to recover reasonable attorneys' fees against the 12 employer. Nothing in this section shall affect or limit any other state, federal, or constitutional right otherwise available. 13
- 14 **Sec. 16.** RCW 74.39A.240 and 2011 1st sp.s. c 21 s 7 are each 15 amended to read as follows:
- The definitions in this section apply throughout RCW 74.39A.030  $((and))_{\perp}$  74.39A.095  $((and))_{\perp}$  74.39A.220 through 74.39A.300, and 41.56.026 unless the context clearly requires otherwise.
- 19 (1) "Consumer" means a person to whom an individual provider 20 provides any such services.
- 21 (2) "Department" means the department of social and health 22 services.

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- (3) "Individual provider" means a person, including a personal aide, who ((has contracted with the department to)), under an individual provider contract with the department or as an employee of a consumer directed employer, provides personal care or respite care services to persons who are functionally disabled ((persons)) or otherwise eliqible under ((the medicaid personal care, community options program entry system, chore services program, or respite care program, or to provide respite care or residential services and support to persons with developmental disabilities under)) programs authorized and funded by the medicaid state plan, medicaid waiver programs chapter 71A.12 RCW, ((or to provide respite care as defined in)) RCW 74.13.270, or similar state-funded in-home care programs.
- 35 **Sec. 17.** RCW 74.39A.250 and 2012 c 164 s 708 are each amended to read as follows:
- 37 (1) ((The department)) If a consumer directed employer employs 38 individual providers, the consumer directed employer shall:

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(a) Provide assistance to consumers and prospective consumers in finding individual providers and prospective individual providers through the ((establishment)) operation of a referral registry of individual providers and prospective individual providers.

- 5 (b) Before placing an individual provider or prospective 6 individual provider on the referral registry, ((the department 7 shall)) determine that((÷
  - $\frac{(a)}{(a)}$ )) the individual provider or prospective individual provider:
- 9 <u>(i) H</u>as met the minimum requirements for training ((set forth 10 in)) under RCW 74.39A.051 and 74.39A.074;
- 11 (((b) The individual provider or prospective individual
  12 provider)) (ii) Has satisfactorily ((undergone)) completed a
  13 ((criminal)) background check ((conducted)) within the prior twelve
  14 months; and
- 15 (((c) The individual provider or prospective individual
  16 provider)) (iii) Is not listed on any ((long-term care abuse and
  17 neglect)) state or federal registry ((used)) described in RCW
  18 74.39A.056 or on other registries maintained by the department.
  - (((2) The department shall)) (c) Remove from the referral registry any individual provider or prospective individual provider ((that)) who does not meet the qualifications set forth in this subsection (1) ((of this section or to have committed misfeasance or malfeasance in the performance of his or her duties)) or whose employment as an individual provider has been terminated based on good cause. ((The individual provider or prospective individual provider, or the consumer to which the individual provider is providing services, may request a fair hearing to contest the removal from the referral registry, as provided in chapter 34.05 RCW.
  - (3) The department shall)) (d) Provide routine, emergency, and respite referrals of individual providers and prospective individual providers to consumers and prospective consumers who are authorized to receive long-term in-home care services through an individual provider.
  - ((4))) (e) Not allow an individual provider to provide services to a consumer without the consumer's consent.
  - (2) The department shall ((give preference in the recruiting, training, referral, and employment of individual providers and prospective individual providers to recipients of public assistance or other low-income persons who would qualify for public assistance in the absence of such employment)) perform the activities under

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- 1 <u>subsection (1) of this section if the department has not transitioned</u>
- 2 the responsibilities under this section to a consumer directed
- 3 <u>employer</u>.

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- 4 **Sec. 18.** RCW 74.39A.261 and 2012 c 164 s 502 are each amended to read as follows:
- If the department contracts with individual providers, the department must perform ((criminal)) background checks for individual providers and prospective individual providers under RCW 74.39A.056.
- 9 **Sec. 19.** RCW 74.39A.270 and 2017 3rd sp.s. c 24 s 1 are each 10 amended to read as follows:
- 11 The following provisions apply only to individual providers who 12 are contracted with the department to provide personal care or 13 respite care services:
  - (1) Solely for the purposes of collective bargaining and as expressly limited under subsections (2) and (3) of this section, the governor is the public employer, as defined in chapter 41.56 RCW, of individual providers, who, solely for the purposes of collective bargaining, are public employees as defined in chapter 41.56 RCW. To accommodate the role of the state as payor for the community-based services provided under this chapter and to ensure coordination with state employee collective bargaining under chapter 41.80 RCW and the coordination necessary to implement RCW 74.39A.300, the public employer shall be represented for bargaining purposes by the governor or the governor's designee appointed under chapter 41.80 RCW. ((The governor or governor's designee shall periodically consult with the authority during the collective bargaining process to allow the authority to communicate issues relating to the long-term in-home care services received by consumers.)) The department shall solicit input from the developmental disabilities council, the governor's committee on disability issues and employment, the state council on aging, and other consumer advocacy organizations to obtain informed input from consumers on their interests, including impacts consumer choice, for all issues proposed for collective bargaining under subsections (5) and  $((\frac{6}{1}))$  of this section.
  - (2) Chapter 41.56 RCW governs the collective bargaining relationship between the governor and individual providers, except as otherwise expressly provided in this chapter and except as follows:

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(a) The only unit appropriate for the purpose of collective bargaining under RCW 41.56.060 is a statewide unit of all individual providers;

- (b) The showing of interest required to request an election under RCW 41.56.060 is ten percent of the unit, and any intervener seeking to appear on the ballot must make the same showing of interest;
- (c) The mediation and interest arbitration provisions of RCW 41.56.430 through 41.56.470 and 41.56.480 apply, except that:
- (i) With respect to commencement of negotiations between the governor and the bargaining representative of individual providers, negotiations shall be commenced by May 1st of any year prior to the year in which an existing collective bargaining agreement expires; and
- (ii) The decision of the ((arbitration panel)) arbitrator is not binding on the legislature and, if the legislature does not approve the request for funds necessary to implement the compensation and fringe benefit provisions of the arbitrated collective bargaining agreement, is not binding on the authority or the state;
  - (d) Individual providers do not have the right to strike; and
- (e) Individual providers who are related to, or family members of, consumers or prospective consumers are not, for that reason, exempt from this chapter or chapter 41.56 RCW.
- (3) Individual providers who are public employees solely for the purposes of collective bargaining under subsection (1) of this section are not, for that reason, employees of the state, its political subdivisions, or an area agency on aging for any purpose. Chapter 41.56 RCW applies only to the governance of the collective bargaining relationship between the employer and individual providers as provided in subsections (1) and (2) of this section.
- (4) Consumers and prospective consumers retain the right to select, hire, supervise the work of, and terminate any individual provider providing services to them. Consumers may elect to receive long-term in-home care services from individual providers who are not referred to them by the ((authority)) department or a department contractor.
- 36 (5) Except as expressly limited in this section and RCW 74.39A.300, the wages, hours, and working conditions of individual providers are determined solely through collective bargaining as provided in this chapter. Except as described in ((subsection (9) of this)) section 26 of this act, no agency or department of the state

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may establish policies or rules governing the wages or hours of individual providers. ((This subsection does not modify:

- (a) The department's authority to establish a plan of care for each consumer or its core responsibility to manage long-term in-home care services under this chapter, including determination of the level of care that each consumer is eligible to receive. However, at the request of the exclusive bargaining representative, the governor or the governor's designee appointed under chapter 41.80 RCW shall engage in collective bargaining, as defined in RCW 41.56.030(4), with the exclusive bargaining representative over how the department's core responsibility affects hours of work for individual providers. This subsection shall not be interpreted to require collective bargaining over an individual consumer's plan of care;
- (b)(i) The requirement that the number of hours the department may pay any single individual provider is limited to:
- (A) Sixty hours each workweek if the individual provider was working an average number of hours in excess of forty hours for the workweeks during January 2016, except for fiscal years 2016, 2017, and 2018, the limit is sixty-five hours each workweek; or
- (B) Forty hours each workweek if the individual provider was not working an average number of hours in excess of forty hours for the workweeks during January 2016, or had no reported hours for the month of January 2016.
- (ii) Additional hours may be authorized under criteria established by rules adopted by the department under subsection (9) of this section.
- (iii) Additional hours may be authorized for required training under RCW 74.39A.074, 74.39A.076, and 74.39A.341.
- (iv) An individual provider may appeal to the department for qualification for the hour limitation in (b)(i)(A) of this subsection if the average weekly hours the individual provider was working in January 2016 materially underrepresent the average weekly hours worked by the individual provider during the first three months of 2016.
- (v) No individual provider is subject to the hour limitations in (b)(i)(A) of this subsection until the department has conducted a review of the plan of care for the consumers served by the individual provider. The department shall review plans of care expeditiously, starting with consumers connected with the most individual provider overtime;

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(c) The requirement that the total number of additional hours in excess of forty hours authorized under (b) of this subsection and subsection (9) of this section are limited by the total hours as provided in subsection (10) of this section;

- (d) The department's authority to terminate its contracts with individual providers who are not adequately meeting the needs of a particular consumer, or to deny a contract under RCW 74.39A.095(8);
- (e) The consumer's right to assign hours to one or more individual providers consistent with the rules adopted under this chapter and his or her plan of care;
- (f) The consumer's right to select, hire, terminate, supervise the work of, and determine the conditions of employment for each individual provider providing services to the consumer under this chapter;
- (g) The department's obligation to comply with the federal medicaid statute and regulations and the terms of any community-based waiver granted by the federal department of health and human services and to ensure federal financial participation in the provision of the services; and
- (h) The legislature's right to make programmatic modifications to the delivery of state services under this title, including standards of eligibility of consumers and individual providers participating in the programs under this title, and the nature of services provided. The governor shall not enter into, extend, or renew any agreement under this chapter that does not expressly reserve the legislative rights described in this subsection (5)(h).)
  - (6) Nothing in this section modifies:
- (a) The department's authority to deny individual provider contracts to individuals who will not be able to meet the needs of a consumer or to terminate contracts of individual providers who are not adequately meeting the needs of a particular consumer; or
- (b) The consumer's right to: (i) Assign hours to one or more individual providers consistent with the rules adopted under this chapter and his or her plan of care; and (ii) select, hire, terminate, supervise the work of, and determine the conditions of employment for each individual provider providing services to the consumer under this chapter.
- (7) At the request of the exclusive bargaining representative, the governor or the governor's designee appointed under chapter 41.80 RCW shall engage in collective bargaining, as defined in RCW

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41.56.030(4), with the exclusive bargaining representative over ((employer contributions to the training partnership for the costs of: (a) Meeting all training and peer mentoring required under this chapter; and (b) other training intended to promote the career development of individual providers)) the following subjects:

- (a) Employer contributions to the training partnership for the costs of: (i) Meeting all training and peer mentoring requirements under this chapter; and (ii) other training intended to promote the career development of individual providers; and
- (b) How the department's core responsibility affects hours of work for individual providers; this subsection shall not be interpreted to require collective bargaining over an individual consumer's plan of care.
- ((+7+)) (8) The state, the department, the area agencies on aging, or their contractors under this chapter may not be held vicariously or jointly liable for the action or inaction of any individual provider or prospective individual provider, whether or not that individual provider or prospective individual provider was included on the referral registry or referred to a consumer or prospective consumer. The existence of a collective bargaining agreement, the placement of an individual provider on the referral registry, or the development or approval of a plan of care for a consumer who chooses to use the services of an individual provider and the provision of case management services to that consumer, by the department or an area agency on aging, does not constitute a special relationship with the consumer.
- ((+8))) <u>(9)</u> Nothing in this section affects the state's responsibility with respect to unemployment insurance for individual providers. However, individual providers are not to be considered, as a result of the state assuming this responsibility, employees of the state.
- (((9) The department may not pay any single individual provider more than the hours listed in subsection (5)(b) of this section unless the department authorizes additional hours under criteria established by rule. The criteria must be limited in scope to reduce the state's exposure to payment of overtime, address travel time from worksite to worksite, and address the following needs of consumers:
- 38 (a) Ensuring that consumers are not at increased risk for institutionalization;

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(b) When there is a limited number of individual providers within the geographic region of the consumer;

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- (c) When there is a limited number of individual providers available to support a consumer with complex medical and behavioral needs or specific language needs;
- (d) Emergencies that could pose a health and safety risk for consumers; and
- (e) Instances where the cost of the allowed hour is less than other alternatives to provide care to a consumer, distinct from any increased risk of institutionalization.
- (10)(a) Each fiscal year, the department shall establish a spending plan and a system to monitor the authorization and cost of hours in excess of forty hours each workweek from subsections (5)(b) and (9) of this section beginning July 1, 2016, and each fiscal year thereafter. Expenditures for hours in excess of forty hours each workweek under subsections (5)(b) and (9) of this section shall not exceed 8.75 percent of the total average authorized personal care hours for the fiscal year as projected by the caseload forecast council. The caseload forecast council may adopt a temporary adjustment to the 8.75 percent of the total average hours projection for that fiscal year, up to a maximum of 10.0 percent, if it finds a higher percentage of overtime hours is necessitated by a shortage of individual providers to provide adequate client care, taking into consideration factors including the criteria in subsection (9) of this section. If the council elects to temporarily increase the limit, it may do so only upon a majority vote of the council.
- (b) The department also shall provide expenditure reports beginning September 1, 2016, and on a quarterly basis thereafter. If the department determines, based upon quarterly expenditure reports, that the annual expenditures will exceed the limitation established in (a) of this subsection, the department shall take those actions necessary to ensure compliance with the limitation.
- (c) The spending plan and expenditure reports must be submitted to the legislative fiscal committees and the joint legislative-executive overtime oversight task force. The joint legislative-executive overtime oversight task force members are as follows:
- (i) Two members from each of the two largest caucuses of the senate, appointed by the respective caucus leaders.

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- (ii) The speaker of the house of representatives shall appoint two members from each of the two largest caucuses of the house of representatives.
- (iii) The governor shall appoint members representing the department of social and health services and the office of financial management.
- 7 (iv) The governor shall appoint two members representing 8 individual providers and two members representing consumers receiving 9 personal care or respite care services from an individual provider.
- 10 (d) The task force shall meet at least annually, but may meet
  11 more frequently as desired by the task force. The task force shall
  12 choose cochairs, one from among the legislative members and one from
  13 among the executive branch members.
- 14 (e) The department is authorized to adopt rules, including 15 emergency rules under RCW 34.05.350, to implement this subsection.))
- NEW SECTION. Sec. 20. A new section is added to chapter 74.39A RCW to read as follows:
- The following provisions apply only if individual providers are employed by a consumer directed employer:
- (1) Consumers and prospective consumers have the right to select, schedule, supervise the work of, and dismiss any individual provider providing services to them consistent with the consumer's plan of care.
  - (2) Nothing in this section modifies:

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- (a) The consumer directed employer's authority to:
- 26 (i) Refuse to employ an individual provider who may not be able 27 to meet the needs of a particular consumer;
- (ii) Assign an individual provider who has been dismissed by a consumer to a different consumer who has selected the individual provider;
- 31 (iii) Provide information to a consumer about an individual 32 provider's work history as an employee of the consumer directed 33 employer; or
- 34 (iv) Terminate the provider's employment when the individual is 35 not meeting the needs of the consumer.
  - (b) The consumer's right to:
- 37 (i) Assign hours to one or more individual providers consistent 38 with this chapter, the rules adopted under this chapter, and his or 39 her plan of care; or

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(ii) Dismiss an individual provider.

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Sec. 21. RCW 74.39A.275 and 2016 sp.s. c 30 s 3 are each amended to read as follows:

In order to monitor quality of care and safety of consumers, employment conditions of individual providers, and compliance with the provisions of payment of hours in excess of forty hours each workweek for any single (({individual})) individual provider, the department must provide ((quarterly)) annual expenditure reports to the legislative fiscal committees and joint legislative-executive overtime oversight task force created ((in RCW 74.39A.270(10))) under section 26 of this act. The report must contain the following information:

- (1) The number of (( $\{individual\}$ )) <u>individual</u> providers receiving payment for more than forty hours in a workweek, specifying how many of those (( $\{individual\}$ )) <u>individual</u> providers were eligible for those hours due to meeting the conditions of (( $\{RCW\}$  74.39A.270 (5)( $\{b\}$ )( $\{i\}$ ), ( $\{b\}$ )( $\{i\}$ ), ( $\{b\}$ )( $\{i\}$ ), and ( $\{b\}$ )) <u>section 26 of this act</u>.
- (2) The number of hours paid and the amount paid for hours in excess of forty hours in a workweek, specifying how many of those hours and payments were for  $((\frac{\text{individual}}{\text{individual}}))$  individual providers eligible for those hours and payments due to meeting the conditions of  $((\frac{\text{RCW}}{74.39\text{A}.270}))$  (5)(b)(i)(A), (b)(ii), (b)(iii), and (9)) section 26 (1) or (2) of this act.
- (3) In reporting the information required in subsections (1) and (2) of this section, the department must provide total amounts, averages, and a display of the distribution of the amounts.
- (4) The information required must be provided by department region and county of client, department program, and must be specified for (([individual])) individual providers by the number of clients they serve.
- (5) Any personally identifiable information of consumers and individual providers used to develop this report is confidential under RCW 43.17.410 and exempt from public disclosure, inspection, or copying ((under)) in accordance with chapter 42.56 RCW. However, information may be released in aggregate form, with any personally identifiable information redacted, for the purpose of statistical analysis and oversight of agency performance and actions.

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1 Sec. 22. RCW 74.39A.300 and 2004 c 3 s 2 are each amended to 2 read as follows:

If the department contracts with any individual providers for personal care services, funding will be determined in accordance with the following process:

- (1) Upon meeting the requirements of subsection (2) of this section, the governor must submit, as a part of the proposed biennial or supplemental operating budget submitted to the legislature under RCW 43.88.030, a request for funds necessary to administer ((chapter 3, Laws of 2002)) in-home care programs under this chapter and to implement the compensation and fringe benefits provisions of a collective bargaining agreement entered into under RCW 74.39A.270 or for legislation necessary to implement such agreement.
- (2) A request for funds necessary to implement the compensation and fringe benefits provisions of a collective bargaining agreement entered into under RCW 74.39A.270 shall not be submitted by the governor to the legislature unless such request:
- (a) Has been submitted to the director of financial management by October 1st prior to the legislative session at which the request is to be considered; and
- (b) Has been certified by the director of financial management as being feasible financially for the state or reflects the binding decision of an ((arbitration panel)) arbitrator reached under RCW 74.39A.270(2)(c).
- (3) The legislature must approve or reject the submission of the request for funds as a whole. If the legislature rejects or fails to act on the submission, any such agreement will be reopened solely for the purpose of renegotiating the funds necessary to implement the agreement.
- (4) When any increase in individual provider wages or benefits is negotiated or agreed to, no increase in wages or benefits negotiated or agreed to under this chapter will take effect unless and until, before its implementation, the department has determined that the increase is consistent with federal law and federal financial participation in the provision of services under Title XIX of the federal social security act.
- (5) The governor shall periodically consult with the joint committee on employment relations established by RCW 41.80.010 regarding appropriations necessary to implement the compensation and fringe benefits provisions of any collective bargaining agreement

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- and, upon completion of negotiations, advise the committee on the elements of the agreement and on any legislation necessary to implement such agreement.
  - (6) After the expiration date of any collective bargaining agreement entered into under RCW 74.39A.270, all of the terms and conditions specified in any such agreement remain in effect until the effective date of a subsequent agreement, not to exceed one year from the expiration date stated in the agreement, except as provided in RCW 74.39A.270(((6)(f))).
- 10 (7) If, after the compensation and benefit provisions of an agreement are approved by the legislature, a significant revenue shortfall occurs resulting in reduced appropriations, as declared by proclamation of the governor or by resolution of the legislature, both parties shall immediately enter into collective bargaining for a mutually agreed upon modification of the agreement.
- 16 **Sec. 23.** RCW 74.39A.310 and 2007 c 361 s 8 are each amended to read as follows:
- 18 (1) The department shall create a formula that converts <u>into a</u>
  19 <u>per-hour amount, excluding those benefits defined in subsection (3)</u>
  20 <u>of this section</u>, the cost of the increase in:
  - (a) Wages and benefits negotiated and funded in the contract for individual providers of home care services pursuant to RCW 74.39A.270 and 74.39A.300((, into a per-hour amount, excluding those benefits defined in subsection (2) of this section)); or
  - (b) The labor rates established under section 27 of this act.
  - ((That)) (2) The per-hour amount from subsection (1) of this section shall be added to the statewide home care agency vendor rate and shall be used exclusively for improving the wages and benefits of home care agency workers who provide direct care. The formula shall account for:
- 31 (a) All types of wages, benefits, and compensation negotiated and 32 funded each biennium, including but not limited to:
  - (i) Regular wages;
  - (ii) Benefit pay, such as vacation, sick, and holiday pay;
- 35 (iii) Taxes on wages/benefit pay;
- 36 (iv) Mileage; and

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- 37 (v) Contributions to a training partnership; and
- 38 (b) The increase in the average cost of worker's compensation for 39 home care agencies and application of the increases identified in (a)

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- of this subsection to all hours required to be paid, including travel time, of direct service workers under the wage and hour laws and associated employer taxes.
- 4 ((<del>(2)</del>)) (3) The contribution rate for health care benefits, 5 including but not limited to medical, dental, and vision benefits, 6 for eligible agency home care workers shall be paid by the department 7 to home care agencies at the same rate as negotiated and funded in 8 the collective bargaining agreement for individual providers of home 9 care services.
- 10 **Sec. 24.** RCW 74.39A.351 and 2012 c 164 s 404 are each amended to 11 read as follows:
- (1) The department shall offer, directly or through contract, training opportunities sufficient for a long-term care worker to accumulate seventy hours of training within a reasonable time period. For individual providers represented by an exclusive bargaining representative ((under RCW 74.39A.270)), the training opportunities shall be offered through the training partnership established under RCW 74.39A.360.

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- (2) Training topics offered under this section shall include, but are not limited to: Client rights; personal care; mental illness; dementia; developmental disabilities; depression; medication assistance; advanced communication skills; positive client behavior support; developing or improving client-centered activities; dealing with wandering or aggressive client behaviors; medical conditions; nurse delegation core training; peer mentor training; and advocacy for quality care training.
- 27 (3) The department may not require long-term care workers to 28 obtain the training described in this section.
- ((4) The requirement to offer advanced training applies
  beginning January 1, 2013, except that it does not apply to long-term
  care workers employed by community residential service businesses
  until January 1, 2016.))
- 33 **Sec. 25.** RCW 74.39A.360 and 2007 c 361 s 6 are each amended to 34 read as follows:
- ((Beginning January 1, 2010, for)) (1) If the department has any contracts for personal care services with any individual providers represented by an exclusive bargaining representative ((under RCW 74.39A.270,)):

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- (b) Contributions to the partnership ((pursuant to)) shall be made under a collective bargaining agreement negotiated under this chapter ((shall be made beginning July 1, 2009.));
  - (c) The training partnership shall provide reports as required by the department verifying that all individual providers have complied with all training requirements  $((\cdot, \cdot))$ ; and
- 9 <u>(d)</u> The exclusive bargaining representative shall designate the training partnership.
- (2) When individual providers are employed by a consumer directed employer, funding for training shall be included in the labor rate component paid to the consumer directed employer as determined and funded under section 27 of this act.
- NEW SECTION. Sec. 26. A new section is added to chapter 74.39A RCW to read as follows:
- (1) Except as authorized by subsection (3) or (4) of this section or otherwise required by law, the department may not permit a client to use a single department-contracted individual provider for more than forty hours in one workweek.
- 21 (2) A consumer directed employer that employs individual 22 providers:
  - (a) Must permit a client to use a single individual provider more than forty hours in a workweek if required by rules adopted under subsection (3) of this section;
  - (b) May permit an individual provider to work additional hours in accordance with subsection (4) of this section; and
- 28 (c) May permit an individual provider to work more than forty 29 hours per workweek.
  - (3) The department shall adopt rules describing criteria under which a consumer may be permitted to use a single individual provider for more than forty hours per week. At a minimum, the criteria shall limit the state's exposure to exceeding the expenditure limits established in this section, require consumers to use good faith efforts to locate additional providers, address travel time from worksite to worksite, and address the following needs of consumers:
- 37 (a) Emergencies that could pose a health and safety risk for 38 consumers; and

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- 1 (b) Circumstances that could increase the risk of 2 institutionalization without the use of overtime.
- 3 (4) An individual provider may be authorized to work more than 4 forty hours in a workweek:
- 5 (a) If the department established a permanent workweek limit 6 between forty and one-quarter hours and sixty-five hours for an 7 individual provider, based upon work performed by the individual 8 provider in January 2016, as modified by an appeal, if any; or
- 9 (b) For required training under RCW 74.39A.074, 74.39A.076, and 10 74.39A.341, and for required travel time between clients.

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- (5) The cost of overtime incurred under subsections (2)(a) and (b) and (4) of this section shall be included in a consumer directed employer labor rate determined in accordance with section 27 of this act. The following overtime costs shall not be included in the labor rate under section 27 of this act:
  - (a) Costs incurred under subsection (2)(c) of this section;
- (b) Costs incurred by an employee of a consumer directed employer for services provided to an individual who is not a consumer;
  - (c) Costs for services not authorized under this chapter; and
- 20 (d) Overtime costs incurred because an employee of a consumer 21 directed employer performed work:
- 22 (i) For both a consumer and an individual who is not a consumer; 23 or
  - (ii) Worked as both an individual provider and as an employee of the licensed home care agency affiliated with the consumer directed employer.
    - (6) Expenditures for hours in excess of forty hours each workweek under subsections (1) and (2) of this section shall not exceed eight and one-fourth percent of the total actual authorized personal care hours for the fiscal year as projected by the caseload forecast council.
    - (7) The caseload forecast council may adopt a temporary adjustment to the eight and one-fourth percent of the total average in-home personal care hours projection for that fiscal year, up to a maximum of ten percent, if it finds a higher percentage of overtime hours is necessitated by a shortage of individual providers to provide adequate client care, taking into consideration factors including the criteria in subsection (1) of this section and rules adopted by the department. If the council elects to temporarily

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increase the limit, it may do so only upon a majority vote of the council.

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- (8) The department shall prepare expenditure reports beginning September 1, 2018, and on September 1st every year thereafter. The report shall include the results of the department's monitoring of authorizations and costs of hours in excess of forty hours each workweek. If the department determines that the annual expenditures will exceed the limitation established in subsection (3) of this section, the department shall take those actions necessary to ensure compliance with the limitation.
- (9) The expenditure reports must be submitted to the legislative fiscal committees and the joint legislative-executive overtime oversight task force. The joint legislative-executive overtime oversight task force members are as follows:
- 15 (a) Two members from each of the two largest caucuses of the senate, appointed by the respective caucus leaders.
  - (b) Two members from each of the two largest caucuses of the house of representatives, appointed by the speaker of the house of representatives.
- 20 (c) The governor shall appoint members representing the 21 department of social and health services and the office of financial 22 management.
  - (d) The governor shall appoint two members representing individual providers and two members representing consumers receiving personal care or respite care services from an individual provider.
  - (10) The task force shall meet when the department determines that it is projected to or is exceeding the expenditure limits established in subsection (6) of this section but may meet more frequently as desired by the task force. The task force shall choose cochairs, one from among the legislative members and one from among the executive branch members.
- 32 (11) The department may take appropriate corrective action, up to 33 and including termination of an individual provider's contract, when 34 the individual provider works more than his or her workweek limit in 35 any given workweek.
- NEW SECTION. Sec. 27. A new section is added to chapter 74.39A RCW to read as follows:
  - If the department contracts with a consumer directed employer:

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- (1) In addition to overtime and compensable travel time set forth in section 26 of this act, the initial labor rates shall be paid as described in the most recent collective bargaining agreement between the governor and the service employees international union 775, plus the hourly roll-up costs of any additional legally required benefits or labor costs, until subsequent rates can be established in accordance with this section.
- 8 (2) A fourteen person rate-setting board is established to 9 evaluate and propose changes in the rates paid to the consumer 10 directed employer.
  - (a) The following four members shall be voting members:
  - (i) One representative from the governor's office;
- 13 (ii) One representative from the department;

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- 14 (iii) One representative from the consumer directed employer; and
- (iv) One designee from the exclusive bargaining representative of individual providers or, in the absence of an exclusive bargaining representative, a designee from the consumer directed employer workforce chosen by the employees of the consumer directed employer.
- 19 (b) The following nine members of the board shall be nonvoting 20 advisory members:
- 21 (i) Four legislators, one member from each caucus of the house of 22 representatives and the senate;
- 23 (ii) One representative from the state council on aging, 24 appointed by the governor;
- (iii) One representative of an organization representing people with intellectual or developmental disabilities appointed by the governor;
- (iv) One representative of an organization representing people with physical disabilities appointed by the governor;
  - (v) One representative from the licensed home care agency industry chosen by the state's largest association of home care agencies that primarily serves state-funded clients; and
  - (vi) One home care worker chosen by the state's largest organization of home care workers.
- 35 (c) The governor's appointments shall be made by April 1st in 36 even-numbered years.
  - (3) Beginning in the year following the establishment of the initial rate under subsection (1) of this section, and in every even-numbered year thereafter, the rate-setting board shall attempt to determine a proposed labor rate, including a specific amount for

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health benefits by considering the factors listed in RCW 41.56.465(5). In addition, the rate-setting board shall attempt to determine an administrative rate for the consumer directed employer.

- (4) At the commencement of the board's rate-setting activities, the four voting members must first attempt to select a fifth voting member, who will chair the rate-setting panel and will cast a tie-breaking vote if the four voting members identified in subsection (2) of this section are unable to reach an agreement on the labor rate.
- 9 (a) On the first occasion that the four voting members fail to 10 select a tie-breaking member by a majority vote, the fifth member 11 will be selected as follows:
  - (i) The panel member representing the governor's office shall request a list of five qualified arbitrators from the federal mediation and conciliation service.
  - (ii) If a majority of the voting members of the panel cannot agree on the selection of a neutral arbitrator from the list, the representative from the consumer directed employer will strike a name from the list first. The representative from the governor's office shall then strike a name from the list, the designee from the exclusive bargaining representative or, in the absence of an exclusive bargaining representative, the designee from the consumer directed employer workforce shall strike a name from the list, and finally the representative from the department shall strike a name from the list.
  - (iii) The name of the arbitrator remaining after the final strike shall be the fifth member of the panel.
    - (iv) If that person is not willing or available to be the fifth panel member, the second to last person remaining on the list shall be asked to be the fifth panel member. If the second to last person is not willing or available, the third to last person shall be asked to be the fifth member. This process of selecting an arbitrator shall be continued until a fifth member of the panel is appointed.
    - (b) On the next occasion that the four voting members fail to select a fifth tie-breaking member by a majority vote, the fifth member will be selected using the method described in (a) of this subsection except that the order of panel members striking names from the list, described in (a)(ii) of this subsection, shall be reversed.
  - (c) On each successive occasion that the four voting members fail to select a fifth tie-breaking member by a majority vote, the order of panel members striking names from the list will continue to

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1 alternate between the order described in (a)(ii) and (b) of this 2 subsection.

- (5) If an agreement on a proposed labor rate, an administrative rate, or both, is not reached by a majority of the voting members of the rate-setting board prior to July 1st, then:
- 6 (a) The labor rate shall be determined by the vote of the fifth 7 member, who was selected in accordance with subsections (2) and (4) 8 of this section; and
- 9 (b) The administrative rate shall be determined by the 10 department.
  - (6) After the rates have been determined in accordance with subsections (3) through (5) of this section, they shall be submitted to the director of the office of financial management by October 1st prior to the legislative session during which the requests are to be considered for review. If the director of the office of financial management certifies them as being feasible financially for the state, the governor shall include a request for funds necessary to implement the proposed rates as part of the governor's budget document submitted under RCW 43.88.030 and 43.88.060. The legislature shall approve or reject the request for funds as a whole.
  - (7) If the legislature rejects the request under subsection (5) of this section, the matter shall return to the rate-setting board established under this section for further consideration. Until the legislature approves a request for funds under this section, the current labor rate shall stay in effect.
  - (8) The labor rate approved by the legislature shall be an hourly rate paid to the consumer directed employer. The labor rate shall be used exclusively for paying the wages, associated taxes, and benefits of individual providers. The consumer directed employer shall have full discretion to set wages and benefits for individual providers, except as provided in: (a) Subsection (9) of this section; (b) any specific legislative appropriation requirement; or (c) a collective bargaining agreement, if applicable.
  - (9) The labor rate shall include a specific hourly amount that the consumer directed employer may use only for health benefits for individual providers.
    - (10) For the purpose of this section:
- 38 (a) "Labor rate" is defined as that portion of the consumer 39 directed employer's hourly rate that is to be used by the consumer

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- 1 directed employer to compensate its workers, including wages, 2 benefits, and any associated taxes.
- 3 (b) "Administrative rate" is defined as that portion of the 4 consumer directed employer's hourly rate that is to be used by the 5 consumer directed employer to perform its administrative duties.
- **Sec. 28.** RCW 41.56.026 and 2002 c 3 s 12 are each amended to 7 read as follows:
- In addition to the entities listed in RCW 41.56.020, this chapter applies to individual providers who have contracts with the department under chapter 74.39A RCW ((74.39A.270 and 74.39A.300)).
- **Sec. 29.** RCW 41.56.113 and 2010 c 296 s 4 are each amended to 12 read as follows:
- 13 (1) This subsection (1) applies only if the state makes the 14 payments directly to a provider.

- (a) Upon the written authorization of an individual provider who contracts with the department of social and health services, a family child care provider, an adult family home provider, or a language access provider within the bargaining unit and after the certification or recognition of the bargaining unit's exclusive bargaining representative, the state as payor, but not as the employer, shall, subject to (c) of this subsection, deduct from the payments to an individual provider who contracts with the department of social and health services, a family child care provider, an adult family home provider, or a language access provider the monthly amount of dues as certified by the secretary of the exclusive bargaining representative and shall transmit the same to the treasurer of the exclusive bargaining representative.
- (b) If the governor and the exclusive bargaining representative of a bargaining unit of individual providers who contract with the department of social and health services, family child care providers, adult family home providers, or language access providers enter into a collective bargaining agreement that:
- (i) Includes a union security provision authorized in RCW 41.56.122, the state as payor, but not as the employer, shall, subject to (c) of this subsection, enforce the agreement by deducting from the payments to bargaining unit members the dues required for membership in the exclusive bargaining representative, or, for nonmembers thereof, a fee equivalent to the dues; or

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(ii) Includes requirements for deductions of payments other than the deduction under  $((\frac{1}{2}))$  (b)(i) of this subsection, the state, as payor, but not as the employer, shall, subject to (c) of this subsection, make such deductions upon written authorization of the individual provider, family child care provider, adult family home provider, or language access provider.

- (c)(i) The initial additional costs to the state in making deductions from the payments to individual providers, family child care providers, adult family home providers, and language access providers under this section shall be negotiated, agreed upon in advance, and reimbursed to the state by the exclusive bargaining representative.
- (ii) The allocation of ongoing additional costs to the state in making deductions from the payments to individual providers, family child care providers, adult family home providers, or language access providers under this section shall be an appropriate subject of collective bargaining between the exclusive bargaining representative and the governor unless prohibited by another statute. collective bargaining agreement containing a provision allocating the ongoing additional cost is entered into between the exclusive bargaining representative and the governor, or if the legislature does not approve funding for the collective bargaining agreement as provided in RCW 74.39A.300, 41.56.028, 41.56.029, or 41.56.510, as applicable, the ongoing additional costs to the state in making deductions from the payments to individual providers, family child care providers, adult family home providers, or language access providers under this section shall be negotiated, agreed upon in advance, and reimbursed to the state by the exclusive bargaining representative.
- (d) The governor and the exclusive bargaining representative of a bargaining unit of family child care providers may not enter into a collective bargaining agreement that contains a union security provision unless the agreement contains a process, to be administered by the exclusive bargaining representative of a bargaining unit of family child care providers, for hardship dispensation for license-exempt family child care providers who are also temporary assistance for needy families recipients or WorkFirst participants.
- 38 (2) This subsection (2) applies only if the state does not make 39 the payments directly to a <u>language access</u> provider.

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(a) Upon the written authorization of a language access provider within the bargaining unit and after the certification or recognition of the bargaining unit's exclusive bargaining representative, the state shall require through its contracts with third parties that:

- (i) The monthly amount of dues as certified by the secretary of the exclusive bargaining representative be deducted from the payments to the language access provider and transmitted to the treasurer of the exclusive bargaining representative; and
- 9 (ii) A record showing that dues have been deducted as specified in (a)(i) of this subsection be provided to the state.
  - (b) If the governor and the exclusive bargaining representative of the bargaining unit of language access providers enter into a collective bargaining agreement that includes a union security provision authorized in RCW 41.56.122, the state shall enforce the agreement by requiring through its contracts with third parties that:
  - (i) The monthly amount of dues required for membership in the exclusive bargaining representative as certified by the secretary of the exclusive bargaining representative, or, for nonmembers thereof, a fee equivalent to the dues, be deducted from the payments to the language access provider and transmitted to the treasurer of the exclusive bargaining representative; and
  - (ii) A record showing that dues or fees have been deducted as specified in (a)(i) of this subsection be provided to the state.
  - (3) This subsection (3) applies only to individual providers who contract with the department of social and health services. If the governor and the exclusive bargaining representative of a bargaining unit of individual providers enter into a collective bargaining agreement that meets the requirements in subsection (1)(b)(i) or (ii) of this section, and the state as payor, but not as the employer, contracts with a third-party entity to perform its obligations as set forth in those subsections, and that third-party contracts with the exclusive bargaining representative to perform voluntary deductions for individual providers, the exclusive bargaining representative may direct the third-party to make the deductions required by the collective bargaining agreement, at the expense of the exclusive bargaining representative, so long as such deductions by the exclusive bargaining representative do not conflict with any federal or state law.

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NEW SECTION. Sec. 30. Upon the governor's signature of this act into law, the department of social and health services may begin the procurement process to select a consumer directed employer. The department shall initiate the transition of individual providers to the consumer directed employer no later than July 1, 2021, when it determines it is ready to do so based upon a readiness review conducted by the department.

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- 8 <u>NEW SECTION.</u> **Sec. 31.** If any provision of this act or its 9 application to any person or circumstance is held invalid, the 10 remainder of the act or the application of the provision to other 11 persons or circumstances is not affected.
- 12 <u>NEW SECTION.</u> **Sec. 32.** RCW 74.39A.220 (Findings) and 2011 1st 13 sp.s. c 21 s 6 & 2002 c 3 s 1 are each repealed.

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