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## Health Care & Wellness Committee

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### HB 1435

**Brief Description:** Developing a home care safety net assessment.

**Sponsors:** Representatives Bronoske, Taylor, Bateman, Ryu, Riccelli, Gregerson, Callan, Pollet, Simmons, Reeves and Doglio.

#### Brief Summary of Bill

- Requires consumer-directed employers and in-home services agencies to submit specified financial information to the Department of Health to inform the development of a home care safety net assessment to secure federal matching funds under the state's Medicaid plan.
- Establishes the Home Care Safety Net Assessment Work Group to develop the home care safety net assessment proposal.

**Hearing Date:** 1/31/23

**Staff:** Christopher Blake (786-7392).

#### **Background:**

##### Reimbursement for In-Home Services.

In-home services agencies are licensed by the Department of Health to provide home health, home care, hospice care, and hospice care center services to persons in a place of residence. Consumer-directed employers are private entities that contract with the Department of Social and Health Services to be the legal employer of individual providers who provide personal care or respite care to persons with a functional disability. The Department of Social and Health Services' Aging and Long-Term Support Administration and Developmental Disabilities Administration fund in-home services provided by in-home services agencies and consumer-directed employers to clients who meet Medicaid functional and financial eligibility

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requirements.

#### Provider Assessments.

Health care provider-related charges, such as assessments, fees, or taxes, have been used in some states to help fund the costs of the Medicaid program. Under federal rules, these provider-related charges include any mandatory payment where at least 85 percent of the burden falls on health care items or services. These may be taxes imposed as a percentage of revenue and flat taxes. States collect funds from health care providers and pay them back as Medicaid payments. States use these provider-related payments to claim federal matching funds. In Washington, there are currently provider assessments for hospitals, nursing homes, and ambulances.

To conform to federal laws, health care provider-related assessments, fees, and taxes must be broad-based, uniform, and in compliance with hold harmless provisions. To be broad-based and uniform, they must be applied to all providers of the same class and be imposed at the same rate to each provider in that class. If a provider-related assessment, fee, or tax is not broad-based or uniform, these provisions may be waived if the assessment, fee, or tax is generally redistributive. The hold harmless provision, which requires that those paying the tax may not be guaranteed that their contributions will be repaid, may not be waived. Additionally, Medicaid payments for these services cannot exceed Medicare reimbursement levels.

#### **Summary of Bill:**

##### Data Reporting.

Every consumer-directed employer and in-home services agency must submit specified financial information to the Department of Health (Department). In-home services agencies include agencies licensed to provide home care services, hospice services, or home health services. The purpose of the data collection is to inform the development of a home care safety net assessment to secure federal matching funds under the state's Medicaid plan.

The financial information relates to revenue from in-home services clients from the period between July 1, 2022, and July 1, 2023. Specifically, the information to be collected is total client revenue for home care services, home health services, and hospice services paid by Medicaid, Medicare, private pay, commercial insurance, the Veteran's Administration, and all other payers. In-home services agencies must submit the financial information by January 1, 2024.

The Department must adopt guidance for reporting to assist in-home services agencies to deidentify any in-home services agency's clients from the financial information prior to submission. The Department may only report financial information in an aggregated form and must deidentify any in-home services agency before distributing the information under the Public Records Act. Nonaggregated financial information that identifies in-home services agencies may only be distributed to: (1) Members of the Home Care Safety Net Assessment Work Group (Work Group) who are representing a state agency; (2) executive branch agency staff supporting the Work Group, and (3) an entity contracted with the Health Care Authority (Authority) to

provide data analysis to the Work Group. Nonaggregated financial information that does not identify any in-home services agency may be distributed to all members of the Work Group. Nonaggregated financial information provided to the Work Group, agency staff, or contractors may not be further distributed and must be destroyed after the completion of the Work Group.

Home Care Safety Net Assessment Work Group.

The Work Group is created to develop a home care safety net assessment proposal to secure federal matching funds under the state's Medicaid plan and waivers. The Work Group must consider the financial information submitted to the Department by consumer-directed employers and in-home services agencies when developing the home care safety net assessment proposal.

The Work Group consists of representatives from the Authority, the Department, the Department of Social and Health Services, the Department of Revenue, the exclusive bargaining representative of individual providers, a coalition representing home care agencies serving Medicaid clients, and an association representing home care and home health agencies.

Staff support to the Work Group is to be provided by the Authority. The Authority may contract with a private entity for data analysis of the financial information submitted to the Department by consumer-directed employers and in-home services agencies.

The Work Group must report its findings to the Governor and the appropriate committees of the Legislature by December 1, 2024. The report must include recommendations related to the elements necessary to adopt and implement a home care safety net assessment proposal that meets the requirements for federal approval.

**Appropriation:** None.

**Fiscal Note:** Preliminary fiscal note available.

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