

# Chapter 247-06 WAC

## PROVIDING FINANCIAL ASSISTANCE TO NURSING HOMES

### WAC

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**WAC 247-06-010 Purpose.** The purpose of this chapter shall be to provide guidance regarding the circumstances under which a nursing home facility is a health care facility as defined for purposes of chapter 70.37 RCW, and the resulting eligibility for authority financing assistance. If the authority determines that a nursing home facility is an independent nursing home, then the nursing home is not a health care facility and is not eligible for authority financing assistance.

[Statutory Authority: RCW 70.37.020(3). WSR 94-15-054, § 247-06-010, filed 7/15/94, effective 8/15/94.]

**WAC 247-06-020 Determination process.** (1) Upon the request of a participant (as defined in RCW 70.37.020 (4)), the executive director, in consultation with the authority's assistant attorney general and authority's bond counsel, shall evaluate whether a nursing home qualifies for financing assistance under the Washington health care facilities authority statute, chapter 70.37 RCW (the act), and shall make a recommendation to the authority board based upon such evaluation. The participant's request shall include information with respect to the participant and the nursing home that is responsive to the criteria and factors described in WAC 247-06-030 below and such other information as the executive director may require.

(2) Upon receipt and consideration of the executive director's recommendation, the board shall determine whether a nursing home is eligible for authority financing assistance.

[Statutory Authority: RCW 70.37.020(3). WSR 94-15-054, § 247-06-020, filed 7/15/94, effective 8/15/94.]

**WAC 247-06-030 Criteria for providing financing assistance to nursing homes.** The criteria which will serve as the basis for the review and evaluation for determining whether a nursing home is not independent and thus qualifies for authority financing assistance shall include, but need not be limited to, the following:

(1) Control by related participant. This criterion relates to the nature of the relationship between the related participant and the nursing home and the level of organizational control the related participant exercises or will exercise over the nursing home. The closer the relationship between the related participant and the nursing home and the greater the level of control the related participant exercises over the nursing home, the more likely it is that a nexus exists between the participant and the nursing home sufficient to support the conclusion that the nursing home is not independent. Factors

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to consider may include, but need not be limited to, the following:

- (a) Who the legal owner of the nursing home is;
- (b) How the members of the board of trustees/directors of the nursing home and/or the related participant are chosen;
- (c) How the management of the nursing home is chosen;
- (d) How the nursing home budget is approved and whether the related participant has veto authority; and
- (e) What entity holds the license to operate the nursing home.

(2) Physical proximity. This criterion relates to the physical relationship a nursing home facility has to other health care facilities. While physical attachment or connection of a nursing home to a hospital or other health care facility is not required under the act, such attachment or connection may be a strong indicator of the dependence that the nursing home facility may have on the facility to which it is connected. Factors to consider may include, but need not be limited to, the following:

- (a) Whether the nursing home facility is physically attached or connected to a hospital or health care facility (other than another nursing home) and the nature of such attachment or connection; and
- (b) Where the nursing home is located in relation to hospital and other health care facilities and whether it is on:
  - (i) A single parcel of property;
  - (ii) A municipally recognized multi parcel area; or
  - (iii) A campus (i.e., hospital zoning or major institutional zoning).

(3) Integration with a nonnursing home participant. This criterion relates to the operational integration of a nursing home facility with a nonnursing home participant. The more highly integrated the operations of the nonnursing home participant and the nursing home are, the more likely it is that a nexus exists between such participant and the nursing home sufficient to support the conclusion that the nursing home is not independent. Factors to consider may include, but need not be limited to, the following:

- (a) The extent to which the nonnursing home participant and the nursing home have common medical staff;
- (b) Who employs the nursing home personnel;
- (c) The extent to which the nonnursing home participant and the nursing home have a common or integrated admissions/transfer policy; and
- (d) The extent to which the nonnursing home participant and the nursing home have common or integrated administrative staff and/or services.

(4) Coobligation or guaranty by a related nonnursing home participant on authority debt. The final criterion requires that a related nonnursing home participant be obligated on or give a guaranty on any bonds or other obligations

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to be issued by the authority, the proceeds of which will be used in the nursing home facility.

[Statutory Authority: RCW 70.37.020(3). WSR 94-15-054, § 247-06-030, filed 7/15/94, effective 8/15/94.]