

SENATE BILL REPORT

SB 5589

AS OF FEBRUARY 22, 1991

Brief Description: Regulating nursing pools providing temporary nursing services to nursing homes.

SPONSORS: Senators West and L. Kreidler.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Staff: Scott Plack (786-7409)

Hearing Dates: February 27, 1991

BACKGROUND:

Nursing pools provide or refer health care personnel for temporary employment in nursing homes, hospitals, home health agencies and other health care delivery settings. Washington currently regulates nursing pools under Chapter 18.52C RCW and the Secretary of Health is the regulatory authority. Nursing pools must be registered with the state in order to receive any state reimbursement.

An increase in the use of nursing pools has occurred as a result of the nursing shortage (and other provider shortages) in the state. Since demand for some health care personnel exceeds supply in some health care settings, nursing pools have been used to meet staffing needs in health care facilities. Nursing pools are an expensive alternative to permanent staff. The rates paid for nursing pool services include overhead and profit costs as well as the actual wages and benefits paid to the health care workers in the pool.

The state Medicaid nursing home program reimburses nursing homes for nursing pool costs. The cost of nursing pool services is seen as a high cost driver in the program.

SUMMARY:

The Department of Social and Health Services (DSHS) is directed to establish reasonable rates of payment for nursing pools who contract with nursing homes in the state's Medicaid nursing home program. Each nursing pool is required to report to DSHS information on wages, salaries and benefits paid to nursing employees as well as profit and overhead costs included in their fees for nursing pool services.

In 1992 nursing pools may charge no more than their actual costs as of September 1, 1991 plus an amount to be determined by DSHS for overhead and profit. In 1993 nursing pools may adjust this rate consistent with existing Medicaid statutory

provisions for inflation increases and as determined by the Legislature in the biennial Budget Act.

DSHS shall annually review each nursing pool's report to assure compliance. Nursing pools must return to the state any funds they received in excess to the amount established by the department. A pool may not bill a nursing home for amounts in excess to the established rate.

Appropriation: none

Revenue: none

Fiscal Note: available

Effective Date: July 1, 1991