

SENATE BILL REPORT

SB 6225

AS REPORTED BY COMMITTEE ON WAYS & MEANS, FEBRUARY 10, 1992

Brief Description: Exempting excess nursing supplies cost from the reimbursement of the pilot facility for persons living with AIDS.

SPONSORS: Senators West, McDonald, Wojahn and Niemi

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators West, Chairman; L. Smith, Vice Chairman; Amondson, M. Kreidler, Niemi, and Wojahn.

Staff: Sarena Seifer (786-7417)

Hearing Dates: February 4, 1992; February 5, 1992

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6225 be substituted therefor, and the substitute bill do pass.

Signed by Senators McDonald, Chairman; Craswell, Vice Chairman; Amondson, Bailey, Bauer, Bluechel, Cantu, Gaspard, M. Kreidler, Metcalf, Murray, Newhouse, Niemi, Saling, L. Smith, Talmadge, West, Williams, and Wojahn.

Staff: Tim Yowell (786-7715)

Hearing Dates: February 6, 1992; February 10, 1992

BACKGROUND:

A 1989 amendment to the Washington State health plan authorized a pilot long-term care facility specially designed to meet the needs of people with AIDS. Known as the Bailey-Boushay House, the recently completed 35-bed skilled nursing care facility is the first such licensed care facility in the United States. Licensed by the Department of Social and Health Services (DSHS) as both a skilled nursing facility and adult day health center, the Bailey-Boushay House is operated by Virginia Mason Medical Center through a lease agreement with AIDS Housing of Washington.

A 1989 amendment to the state's Nursing Home Auditing and Cost Reimbursement Act permits DSHS to reimburse the Bailey-Boushay House for a higher number of nursing hours per patient day than is allowed in other skilled nursing facilities.

Estimates of nursing supply costs for Bailey-Boushay House are approximately seven times the average nursing supply costs in

long-term care. The increased expense reflects the intensity of nursing services and supplies, such as intravenous therapy, required by people with AIDS. The current reimbursement formula for nursing supplies applies to all long-term care facilities in the state, including the Bailey-Boushay House.

SUMMARY:

The cost of nursing supplies at the pilot long-term care facility designed for persons with AIDS which exceed the average cost of nursing supplies for Medicaid nursing facilities statewide is exempt from the state's reimbursement formula.

EFFECT OF PROPOSED SUBSTITUTE:

Passage is made contingent upon funds being included in the supplemental appropriations act.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR (Health & Long-Term Care):

Estimates of nursing supply costs for the project are approximately seven times the average nursing supply costs in long-term care, due to the intensity of nursing care needs and the more technical aspects of care which are commonly required by persons with AIDS. Nearly 100 percent of Bailey-Boushay residents will be covered by Medicaid. The financial viability of this unique, nonprofit project requires that the facility recoup as many of the basic costs of care as possible in its Medicaid reimbursement.

TESTIMONY AGAINST (Health & Long-Term Care): None

TESTIFIED (Health & Long-Term Care): Christine Hurley, Bailey-Boushay House (pro); Anne Shields, Department of Health (pro); Ralph Smith, Department of Social and Health Services

TESTIMONY FOR (Ways & Means):

The exemption is important to the financial viability of this project. At \$350 per day, the Bailey-Boushay House will provide a cost-effective alternative to hospital care which could cost up to \$1,000 per day.

TESTIMONY AGAINST (Ways & Means): None

TESTIFIED (Ways & Means): Betsy Lieberman, AIDS Housing of Washington