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**SUBSTITUTE SENATE BILL 5604**

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**State of Washington**

**56th Legislature**

**1999 Regular Session**

**By** Senate Committee on Health & Long-Term Care (originally sponsored by Senators Deccio, Wojahn, Winsley, Costa, Franklin and Thibaudeau)

Read first time 03/03/1999.

1 AN ACT Relating to health care facility worker identification;  
2 amending RCW 74.46.410; and adding a new section to chapter 70.41 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 70.41 RCW  
5 to read as follows:

6 All persons employed by, volunteering with, contracting with,  
7 leasing space from, or otherwise providing health care services  
8 directly to patients at a health care facility shall wear  
9 identification badges. The badge must display the person's first name,  
10 or first and last name, or initials or a numeric identifier, and the  
11 title of his or her profession under Title 18 RCW, or job title, if the  
12 person is not a regulated health care professional. The badge must  
13 indicate if the person is a delegatee nursing assistant delegated tasks  
14 under chapter 18.88A RCW. The badge must be worn on the person's  
15 clothing so that it is visible and readable. For the purposes of this  
16 section, "health care facility" means a facility that provides health  
17 related services, including but not limited to, a hospital, clinic,  
18 pharmacy, health care provider's office, diagnostic or treatment  
19 center, neuropsychiatric or mental health facility, or long-term care

1 facility required to be licensed under chapter 18.20, 18.51, 72.36, or  
2 70.128 RCW or a home health, hospice, or home care agency licensed  
3 under chapter 70.127 RCW, or contracted assisted living services under  
4 RCW 74.39A.010, or in-home independent care provider, but not including  
5 veterinary medical facilities. For the purposes of this section  
6 "person" includes but is not limited to health care provider, staff  
7 member, and all other employees, both professional and nonprofessional,  
8 as well as volunteers. It does not include visitors or family members  
9 in adult family homes who do not regularly provide services to  
10 residents, nor does "person" include veterinarians, licensed under  
11 chapter 18.92 RCW, or their employees.

12 The health care facility administrator or his or her designee is  
13 responsible for assuring that all persons comply with this section.

14 **Sec. 2.** RCW 74.46.410 and 1998 c 322 s 17 are each amended to read  
15 as follows:

16 (1) Costs will be unallowable if they are not documented,  
17 necessary, ordinary, and related to the provision of care services to  
18 authorized patients.

19 (2) Unallowable costs include, but are not limited to, the  
20 following:

21 (a) Costs of items or services not covered by the medical care  
22 program. Costs of such items or services will be unallowable even if  
23 they are indirectly reimbursed by the department as the result of an  
24 authorized reduction in patient contribution;

25 (b) Costs of services and items provided to recipients which are  
26 covered by the department's medical care program but not included in  
27 the medicaid per-resident day payment rate established by the  
28 department under this chapter;

29 (c) Costs associated with a capital expenditure subject to section  
30 1122 approval (part 100, Title 42 C.F.R.) if the department found it  
31 was not consistent with applicable standards, criteria, or plans. If  
32 the department was not given timely notice of a proposed capital  
33 expenditure, all associated costs will be unallowable up to the date  
34 they are determined to be reimbursable under applicable federal  
35 regulations;

36 (d) Costs associated with a construction or acquisition project  
37 requiring certificate of need approval, or exemption from the  
38 requirements for certificate of need for the replacement of existing

1 nursing home beds, pursuant to chapter 70.38 RCW if such approval or  
2 exemption was not obtained;

3 (e) Interest costs other than those provided by RCW 74.46.290 on  
4 and after January 1, 1985;

5 (f) Salaries or other compensation of owners, officers, directors,  
6 stockholders, partners, principals, participants, and others associated  
7 with the contractor or its home office, including all board of  
8 directors' fees for any purpose, except reasonable compensation paid  
9 for service related to patient care;

10 (g) Costs in excess of limits or in violation of principles set  
11 forth in this chapter;

12 (h) Costs resulting from transactions or the application of  
13 accounting methods which circumvent the principles of the payment  
14 system set forth in this chapter;

15 (i) Costs applicable to services, facilities, and supplies  
16 furnished by a related organization in excess of the lower of the cost  
17 to the related organization or the price of comparable services,  
18 facilities, or supplies purchased elsewhere;

19 (j) Bad debts of non-Title XIX recipients. Bad debts of Title XIX  
20 recipients are allowable if the debt is related to covered services, it  
21 arises from the recipient's required contribution toward the cost of  
22 care, the provider can establish that reasonable collection efforts  
23 were made, the debt was actually uncollectible when claimed as  
24 worthless, and sound business judgment established that there was no  
25 likelihood of recovery at any time in the future;

26 (k) Charity and courtesy allowances;

27 (l) Cash, assessments, or other contributions, excluding dues, to  
28 charitable organizations, professional organizations, trade  
29 associations, or political parties, and costs incurred to improve  
30 community or public relations;

31 (m) Vending machine expenses;

32 (n) Expenses for barber or beautician services not included in  
33 routine care;

34 (o) Funeral and burial expenses;

35 (p) Costs of gift shop operations and inventory;

36 (q) Personal items such as cosmetics, smoking materials, newspapers  
37 and magazines, and clothing, except those used in patient activity  
38 programs;

1 (r) Fund-raising expenses, except those directly related to the  
2 patient activity program;

3 (s) Penalties and fines;

4 (t) Expenses related to telephones, televisions, radios, and  
5 similar appliances in patients' private accommodations;

6 (u) Federal, state, and other income taxes;

7 (v) Costs of special care services except where authorized by the  
8 department;

9 (w) Expenses of an employee benefit not in fact made available to  
10 all employees on an equal or fair basis, for example, key-man insurance  
11 and other insurance or retirement plans;

12 (x) Expenses of profit-sharing plans;

13 (y) Expenses related to the purchase and/or use of private or  
14 commercial airplanes which are in excess of what a prudent contractor  
15 would expend for the ordinary and economic provision of such a  
16 transportation need related to patient care;

17 (z) Personal expenses and allowances of owners or relatives;

18 (aa) All expenses of maintaining professional licenses or  
19 membership in professional organizations;

20 (bb) Costs related to agreements not to compete;

21 (cc) Amortization of goodwill, lease acquisition, or any other  
22 intangible asset, whether related to resident care or not, and whether  
23 recognized under generally accepted accounting principles or not;

24 (dd) Expenses related to vehicles which are in excess of what a  
25 prudent contractor would expend for the ordinary and economic provision  
26 of transportation needs related to patient care;

27 (ee) Legal and consultant fees in connection with a fair hearing  
28 against the department where a decision is rendered in favor of the  
29 department or where otherwise the determination of the department  
30 stands;

31 (ff) Legal and consultant fees of a contractor or contractors in  
32 connection with a lawsuit against the department;

33 (gg) Lease acquisition costs, goodwill, the cost of bed rights, or  
34 any other intangible assets;

35 (hh) All rental or lease costs other than those provided in RCW  
36 74.46.300 on and after January 1, 1985;

37 (ii) Postsurvey charges incurred by the facility as a result of  
38 subsequent inspections under RCW 18.51.050 which occur beyond the first  
39 postsurvey visit during the certification survey calendar year;

1 (jj) Compensation paid for any purchased nursing care services,  
2 including registered nurse, licensed practical nurse, and nurse  
3 assistant services, obtained through service contract arrangement in  
4 excess of the amount of compensation paid for such hours of nursing  
5 care service had they been paid at the average hourly wage, including  
6 related taxes and benefits, for in-house nursing care staff of like  
7 classification at the same nursing facility, as reported in the most  
8 recent cost report period;

9 (kk) For all partial or whole rate periods after July 17, 1984,  
10 costs of land and depreciable assets that cannot be reimbursed under  
11 the Deficit Reduction Act of 1984 and implementing state statutory and  
12 regulatory provisions;

13 (ll) Costs reported by the contractor for a prior period to the  
14 extent such costs, due to statutory exemption, will not be incurred by  
15 the contractor in the period to be covered by the rate;

16 (mm) Costs of outside activities, for example, costs allocated to  
17 the use of a vehicle for personal purposes or related to the part of a  
18 facility leased out for office space;

19 (nn) Travel expenses outside the states of Idaho, Oregon, and  
20 Washington and the province of British Columbia. However, travel to or  
21 from the home or central office of a chain organization operating a  
22 nursing facility is allowed whether inside or outside these areas if  
23 the travel is necessary, ordinary, and related to resident care;

24 (oo) Moving expenses of employees in the absence of demonstrated,  
25 good-faith effort to recruit within the states of Idaho, Oregon, and  
26 Washington, and the province of British Columbia;

27 (pp) Depreciation in excess of four thousand dollars per year for  
28 each passenger car or other vehicle primarily used by the  
29 administrator, facility staff, or central office staff;

30 (qq) Costs for temporary health care personnel from a nursing pool  
31 not registered with the secretary of the department of health;

32 (rr) Payroll taxes associated with compensation in excess of  
33 allowable compensation of owners, relatives, and administrative  
34 personnel;

35 (ss) Costs and fees associated with filing a petition for  
36 bankruptcy;

37 (tt) All advertising or promotional costs, except reasonable costs  
38 of help wanted advertising;

1 (uu) Outside consultation expenses required to meet department-  
2 required minimum data set completion proficiency;  
3 (vv) Interest charges assessed by any department or agency of this  
4 state for failure to make a timely refund of overpayments and interest  
5 expenses incurred for loans obtained to make the refunds;  
6 (ww) All home office or central office costs, whether on or off the  
7 nursing facility premises, and whether allocated or not to specific  
8 services, in excess of the median of those adjusted costs for all  
9 facilities reporting such costs for the most recent report period;  
10 (~~and~~)  
11 (xx) Tax expenses that a nursing facility has never incurred; and  
12 (yy) Costs associated with the provision of identification badges  
13 to health care facility employees under section 1 of this act.

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