

CERTIFICATION OF ENROLLMENT
SUBSTITUTE SENATE BILL 5968

Chapter 392, Laws of 1999
(partial veto)

56th Legislature
1999 Regular Session

NURSING FACILITIES--SUPPLEMENTAL PAYMENTS

EFFECTIVE DATE: 7/25/99

Passed by the Senate April 25, 1999
YEAS 48 NAYS 0

BRAD OWEN
President of the Senate

Passed by the House April 25, 1999
YEAS 96 NAYS 0

JOHN E. PENNINGTON, JR.
**Speaker of the
House of Representatives**

FRANK CHOPP
**Speaker of the
House of Representatives**

Approved May 18, 1999, with the
exception of section 2(14), which is
vetoed.

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

I, Tony M. Cook, Secretary of the
Senate of the State of Washington, do
hereby certify that the attached is
SUBSTITUTE SENATE BILL 5968 as passed
by the Senate and the House of
Representatives on the dates hereon
set forth.

TONY M. COOK
Secretary

FILED

May 18, 1999 - 3:24 p.m.

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5968

AS AMENDED BY THE HOUSE

Passed Legislature - 1999 Regular Session

State of Washington 56th Legislature 1999 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Loveland and Rasmussen)

Read first time 04/21/1999.

1 AN ACT Relating to human services; authorizing supplemental
2 payments for nursing facilities operated by public hospital districts;
3 amending 1999 c ... (ESSB 5180) s 210 (uncodified); and adding a new
4 section to chapter 74.46 RCW.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 74.46 RCW
7 and codified under part F to read as follows:

8 To the extent the federal government approves such payments under
9 the state's plan for medical assistance, and only to the extent that
10 funds are specifically appropriated for this purpose in the biennial
11 appropriations act, the department shall make supplemental payments to
12 nursing facilities operated by public hospital districts. The payments
13 shall be calculated and distributed in accordance with the terms and
14 conditions specified in the biennial appropriations act. The payments
15 shall be supplemental to the component rate allocations calculated in
16 accordance with part E of this chapter, and neither the provisions of
17 part E of this chapter nor the provisions of part C of this chapter
18 apply to these supplemental payments.

1 *Sec. 2. 1999 c ... (ESSB 5180) s 210 (uncodified) is amended to
2 read as follows:

3 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MEDICAL ASSISTANCE**
4 **PROGRAM**

5	General Fund--State Appropriation (FY 2000) . . .	\$	722,863,000
6	General Fund--State Appropriation (FY 2001) . . .	\$	784,657,000
7	General Fund--Federal Appropriation	\$	((2,345,803,000))
8			<u>2,401,804,000</u>
9	General Fund--Private/Local Appropriation	\$	261,534,000
10	Emergency Medical Services and Trauma Care Systems		
11	Trust Account--State Appropriation	\$	9,200,000
12	Health Services Account--State Appropriation . .	\$	((339,535,000))
13			<u>391,582,000</u>
14	TOTAL APPROPRIATION	\$	((4,463,592,000))
15			<u>4,571,641,000</u>

16 The appropriations in this section are subject to the following
17 conditions and limitations:

18 (1) The department shall continue to make use of the special
19 eligibility category created for children through age 18 and in
20 households with incomes below 200 percent of the federal poverty level
21 made eligible for medicaid as of July 1, 1994.

22 (2) It is the intent of the legislature that Harborview medical
23 center continue to be an economically viable component of the health
24 care system and that the state's financial interest in Harborview
25 medical center be recognized.

26 (3) Funding is provided in this section for the adult dental
27 program for Title XIX categorically eligible and medically needy
28 persons and to provide foot care services by podiatric physicians and
29 surgeons.

30 (4) \$1,647,000 of the general fund--state appropriation for fiscal
31 year 2000 and \$1,672,000 of the general fund--state appropriation for
32 fiscal year 2001 are provided for treatment of low-income kidney
33 dialysis patients.

34 (5) \$80,000 of the general fund--state appropriation for fiscal
35 year 2000, \$80,000 of the general fund--state appropriation for fiscal
36 year 2001, and \$160,000 of the general fund--federal appropriation are
37 provided solely for the prenatal triage clearinghouse to provide access
38 and outreach to reduce infant mortality.

1 (6) The department shall adopt a new formula for distributing funds
2 under the low-income disproportionate share hospital (LI-DSH) program.
3 Under this new formula, (a) the state's Level 1 trauma center shall
4 continue to receive the same amount of LI-DSH payments as in fiscal
5 year 1999; and (b) ~~((in addition to other factors, the amount of a
6 hospital's LI-DSH payment shall be inversely related to its net
7 operating income as a percentage of total expenditures, such that more
8 profitable hospitals receive a relatively smaller payment under the
9 program))~~ a net profitability factor shall be included with other
10 factors to determine LI-DSH payments. The net profitability factor
11 shall inversely relate hospital percent net operating income to payment
12 under the program.

13 (7) The department shall report to the fiscal committees of the
14 legislature by September 15, 1999, and again by December 15, 1999, on
15 (a) actions it has taken and proposes to take to increase the share of
16 medicare part B premium payments upon which it is collecting medicaid
17 matching funds; (b) the percentage of such premium payments for each
18 month of service subsequent to June 1998 which have been paid with
19 unmatched, state-only funds; and (c) why matching funds could not be
20 collected on those payments.

21 (8) The department shall report to the fiscal committees of the
22 legislature by December 1, 1999, and again by October 1, 2000, on the
23 amount which has been recovered from third-party payers as a result of
24 its efforts to improve coordination of benefits on behalf of "basic
25 health plan-plus" enrollees.

26 (9) The department shall report to the health care and fiscal
27 committees of the legislature by December 1, 1999, on options for
28 controlling the growth in medicaid prescription drug expenditures
29 through strategies such as but not limited to volume purchasing,
30 selective contracting, supplemental drug discounts, and improved care
31 coordination for high utilizers.

32 (10) \$3,992,000 of the health services account appropriation and
33 \$7,651,000 of the general fund--federal appropriation are provided
34 solely for health insurance coverage for children with family incomes
35 between 200 percent and 250 percent of the federal poverty level, as
36 provided in Substitute Senate Bill No. 5416 (children's health
37 insurance program). If the bill is not enacted by June 30, 1999, these
38 amounts shall lapse.

1 (11) \$191,000 of the general fund--state appropriation for fiscal
2 year 2000 and \$391,000 of the general fund--state appropriation for
3 fiscal year 2001 are provided solely for implementation of Substitute
4 Senate Bill No. 5587 (patient bill of rights). If the bill is not
5 enacted by June 30, 1999, these amounts shall lapse.

6 (12) Upon approval from the federal health care financing
7 administration, the department shall implement the section 1115 family
8 planning waiver to provide family planning services to persons with
9 family incomes at or below two hundred percent of the federal poverty
10 level.

11 (13) Except in the case of rural hospitals and Harborview medical
12 center, weighted average payments ~~((rates))~~ under the ratio-of-cost-to-
13 charges hospital payment system shall increase by no more than ~~((4.7))~~
14 175 percent ((per year)) of the DRI HCFA hospital reimbursement market
15 basket index.

16 ***(14) From the funds appropriated in this section, the department***
17 ***shall provide chiropractic services for persons qualifying for medical***
18 ***assistance services under chapter 74.09 RCW.***

19 (15) In accordance with Substitute Senate Bill No. 5968,
20 \$25,978,000 of the health services account appropriation for fiscal
21 year 2000, \$26,069,000 of the health services account appropriation for
22 fiscal year 2001, and \$56,002,000 of the general fund--federal
23 appropriation, or so much thereof as may be expended without exceeding
24 the medicare upper payment limit, are provided solely for supplemental
25 payments to nursing homes operated by rural public hospital districts.
26 Such payments shall be distributed among the participating rural public
27 hospital districts proportional to the number of days of medicaid-
28 funded nursing home care provided by each district during the preceding
29 calendar year, relative to the total number of such days of care
30 provided by all participating rural public hospital districts. Prior
31 to making any supplemental payments, the department shall first obtain
32 federal approval for such payments under the medicaid state plan. The
33 payments shall further be conditioned upon (a) a contractual commitment
34 by the association of public hospital districts and participating rural
35 public hospital districts to make an intergovernmental transfer to the
36 state treasurer, for deposit into the health services account, equal to
37 at least 82 percent of the supplemental payment amount; and (b) a
38 contractual commitment by the participating districts to not allow

1 expenditures covered by the supplemental payments to be used for
2 medicaid nursing home rate-setting.

3 ***Sec. 2 was partially vetoed. See message at end of chapter.**

Passed the Senate April 25, 1999.

Passed the House April 25, 1999.

Approved by the Governor May 18, 1999, with the exception of
certain items that were vetoed.

Filed in Office of Secretary of State May 18, 1999.

1 Note: Governor's explanation of partial veto is as follows:

2 "I am returning herewith, without my approval as to section 2(14),
3 Substitute Senate Bill No. 5968 entitled:

4 "AN ACT Relating to human services;"

5 Substitute Senate Bill No. 5968 establishes a Pro-Share program
6 with the federal government that will fund nursing homes operated by
7 public hospital districts.

8 Section 2(14) of the bill is an appropriation item proviso that
9 would require the Department of Social and Health Services " Medical
10 Assistance Administration to provide chiropractic services to adults.
11 However, additional funding is not provided. This unfunded mandate
12 would force the Medical Assistance Administration to reduce services
13 elsewhere. While chiropractic services can be very beneficial, I do
14 not believe other services of the Medical Assistance Administration
15 should be reduced to provide them.

16 For these reasons, I have vetoed section 2(14) of Substitute Senate
17 Bill No. 5968.

18 With the exception of section 2(14), Substitute Senate Bill No.
19 5968 is approved."