
Appropriations Committee

HB 1693

Brief Description: Revising the provision for increasing the direct care component rate allocation for residents with exceptional care needs.

Sponsors: Representatives Cody, Skinner, Clibborn and Morrell; by request of Department of Social and Health Services.

Brief Summary of Bill

- Authorizes the Department of Social and Health Services (DSHS) to continue to set criteria for enhanced direct care payments to nursing facilities that have residents with unmet exceptional care needs.
- Eliminates the DSHS's authority to set exceptional therapy care rates for nursing facilities.

Hearing Date: 2/24/03

Staff: Bernard Dean (786-7130).

Background:

There are 253 Medicaid-certified nursing home facilities in Washington providing long-term care services to approximately 12,900 Medicaid clients. The payment system for these nursing homes is established in statute and is administered by the Department of Social and Health Services (DSHS).

The rates paid to nursing facilities are based on seven different components. These components include rates paid for direct care, therapy care, support services, operations, property, financing allowance, and variable return.

In 1999, the Legislature authorized the DSHS to increase the direct care component of nursing home rates for residents who have unmet exceptional care needs, as determined by the DSHS in rule.

Additionally, the DSHS was authorized to adopt rules and implement a system of exceptional care payments for the therapy care component of the nursing home rate. These rates were

authorized for individuals who are under age 65, not eligible for Medicare, and can achieve significant progress in their functional status if provided intensive therapy care services. These exceptional care payments were limited to no more than 12 facilities that have demonstrated excellence in therapy care, based upon criteria adopted in rule. Additionally, payments were subject to approval of a rehabilitation plan of care for each resident on whose behalf a payment is made.

The exceptional care program established by the DSHS generally serves three categories of clients: 1) Those needing exceptional therapies due to such conditions as traumatic brain injury, multiple fractures, quadriplegia, paraplegia, and stroke; 2) individuals who are being maintained on ventilators and tracheostomies; and 3) children with complex medical conditions.

A December 2002 report to the Legislature by the DSHS on the efficacy of the exceptional care payment program indicated that the exceptional direct care payments for medically fragile children and ventilator/tracheostomy clients have resulted in stability for these clients and a cost savings to the state. The report indicated that these individuals are better served in nursing facilities than in hospitals, where they would reside in the absence of the program. However, the report indicated that the enhanced therapy care payments did not improve resident discharge placement or length of stay and that this pilot program was not cost effective.

The statute authorizing the exceptional payments for direct care and for therapy care is scheduled to expire on June 30, 2003.

Summary of Bill:

The DSHS is authorized to continue to set criteria for increased direct care rates to nursing facilities that have residents with unmet exceptional care needs. Exceptional care rates for therapy care and the June 30, 2003 expiration clause are eliminated.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.