

# SENATE BILL REPORT

## SB 5789

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As of February 17, 2003

**Title:** An act relating to a pilot program for implementation of a case mix payment system for boarding homes.

**Brief Description:** Creating a pilot program for implementation of a case mix payment system for boarding homes.

**Sponsors:** Senators Deccio, Keiser, Winsley, Thibaudeau and Kohl-Welles.

**Brief History:**

**Committee Activity:** Health & Long-Term Care: 2/18/03.

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### SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

**Staff:** Rhoda Donkin (786-7198)

**Background:** In 1998, the Legislature changed the way nursing facilities were reimbursed for Medicaid to include the case mix index in the calculation of the direct care component of each nursing facility's payment rate. The implementation of case mix reimbursement was phased in over a period of several years, until July 2002, when all nursing facilities in the state were included. Case mix is a system based on the assumption that patient needs vary and payment rates should reflect that. By identifying conditions for each resident in the facility, case mix attempts to more closely match payments to the level of care that individual clients receive.

Currently, boarding homes with state Medicaid contracts are reimbursed a flat rate depending on the contract they have: assisted living averages \$60.77 per day, enhanced adult residential care averages \$51.24 per day, and adult residential care averages \$46.10 per day.

The department has plans to implement case mix in boarding homes statewide this year.

**Summary of Bill:** A one-year case mix pilot program is established for boarding homes beginning September 1, 2003. A voluntary representation of boarding homes from around the state participate. The pilot tests the validity of assessments and identifies costs, payments and the adequacy of case mix rates.

The department reports findings of the case mix pilot by December 12, 2004.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.