
HOUSE BILL 2529

State of Washington 58th Legislature 2004 Regular Session

By Representatives Morrell, Benson, Chase and Santos

Read first time 01/15/2004. Referred to Committee on Health Care.

1 AN ACT Relating to payments for boarding home services; amending
2 RCW 74.39A.030; adding a new section to chapter 74.39A RCW; creating a
3 new section; and declaring an emergency.

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

5 **Sec. 1.** RCW 74.39A.030 and 2002 c 3 s 10 are each amended to read
6 as follows:

7 (1) To the extent of available funding, the department shall expand
8 cost-effective options for home and community services for consumers
9 for whom the state participates in the cost of their care.

10 (2) In expanding home and community services, the department shall:
11 (a) Take full advantage of federal funding available under Title XVIII
12 and Title XIX of the federal social security act, including home
13 health, adult day care, waiver options, and state plan services; and
14 (b) be authorized to use funds available under its community options
15 program entry system waiver granted under section 1915(c) of the
16 federal social security act to expand the availability of in-home,
17 adult residential care, adult family homes, enhanced adult residential
18 care, and assisted living services. By June 30, 1997, the department
19 shall undertake to reduce the nursing home medicaid census by at least

1 one thousand six hundred by assisting individuals who would otherwise
2 require nursing facility services to obtain services of their choice,
3 including assisted living services, enhanced adult residential care,
4 and other home and community services. If a resident, or his or her
5 legal representative, objects to a discharge decision initiated by the
6 department, the resident shall not be discharged if the resident has
7 been assessed and determined to require nursing facility services. In
8 contracting with nursing homes and boarding homes for enhanced adult
9 residential care placements, the department shall not require, by
10 contract or through other means, structural modifications to existing
11 building construction.

12 (3)(a) The department shall by rule establish payment rates for
13 home and community services that support the provision of cost-
14 effective care. In the event of any conflict between any such rule and
15 a collective bargaining agreement entered into under RCW 74.39A.270 and
16 74.39A.300, the collective bargaining agreement prevails.

17 (b) The department may authorize an enhanced adult residential care
18 rate for nursing homes that temporarily or permanently convert their
19 bed use for the purpose of providing enhanced adult residential care
20 under chapter 70.38 RCW, when the department determines that payment of
21 an enhanced rate is cost-effective and necessary to foster expansion of
22 contracted enhanced adult residential care services. As an incentive
23 for nursing homes to permanently convert a portion of its nursing home
24 bed capacity for the purpose of providing enhanced adult residential
25 care, the department may authorize a supplemental add-on to the
26 enhanced adult residential care rate.

27 (c) The department may authorize a supplemental assisted living
28 services rate for up to four years for facilities that convert from
29 nursing home use and do not retain rights to the converted nursing home
30 beds under chapter 70.38 RCW, if the department determines that payment
31 of a supplemental rate is cost-effective and necessary to foster
32 expansion of contracted assisted living services.

33 (4) The department shall provide base payment for adult residential
34 care and enhanced adult residential care that shall be no less than a
35 weighted average rate of fifty-three dollars and seventy-four cents per
36 resident, per day. The department shall provide base payment for
37 assisted living services that shall be no less than a weighted average

1 rate of fifty-nine dollars and fifty-eight cents per resident, per day.
2 To the extent of available funding, payments shall include the
3 following additional components:

4 (a) A payment add-on that addresses the cost of workers'
5 compensation insurance premiums assessed by the department of labor and
6 industries under chapter 51.16 RCW, based upon the proportionate share
7 of such cost allocable to medicaid care as determined by dividing the
8 contracting facility's number of medicaid client days into the
9 facility's aggregate workers' compensation insurance premium cost; and

10 (b) A payment add-on that addresses the cost of liability
11 insurance, based upon the proportionate share of such cost allocable to
12 medicaid care as determined by dividing the contracting facility's
13 number of medicaid client days into the facility's liability insurance
14 premium cost. In assessing such cost, the department may use a survey
15 method.

16 (5) The department shall establish an appeals process whereby
17 boarding homes contracting with the department to provide adult
18 residential care, enhanced adult residential care, and assisted living
19 services may appeal a client assessment by the department that serves
20 as a basis for payment.

21 (6) The department shall, based upon assessments and within
22 existing funds, pay dementia pilot project rates of not less than
23 ninety dollars and thirty-four cents per day in metropolitan
24 statistical areas, and eighty-five dollars and twenty-three cents per
25 resident day in nonmetropolitan statistical areas, on behalf of up to
26 two hundred persons with Alzheimer's disease or related dementias who
27 would otherwise qualify for placement in nursing facilities.

28 NEW SECTION. Sec. 2. A new section is added to chapter 74.39A RCW
29 to read as follows:

30 This section recognizes the significant financial commitment made
31 by providers to construct new or remodeled housing for the state's
32 elderly who receive medicaid contracted assisted living services in
33 boarding homes. Boarding home providers who had submitted new
34 construction plans, or plans to remodel an existing boarding home to
35 the department of health, construction review, before June 30, 2002,
36 shall, on the effective date of this act, receive a capital rate add-on
37 if:

1 (1) The boarding home provider was receiving a capital rate add-on
2 payment before June 30, 2002; and

3 (2) The boarding home was built or remodeled to provide the
4 following:

5 (a) Private apartment-like units;

6 (b) A kitchen area equipped with a refrigerator, a microwave oven
7 or stovetop, and a counter or table for food preparation. In a new
8 facility, a kitchen area must also be equipped with a sink and counter
9 area, and storage space for utensils and supplies;

10 (c) A lockable entry door;

11 (d) A separate private bathroom, including a sink, toilet, and
12 shower or bathtub. In a new facility, a minimum of fifty percent of
13 the bathrooms shall be wheelchair accessible and have a roll-in shower;

14 (e) In a remodeled facility, an individual unit shall have a
15 minimum of one hundred eighty square feet including counters, closets,
16 and built-ins, excluding the bathroom. In a new facility, an
17 individual unit shall have a minimum of two hundred twenty square feet
18 including counters, closets, and built-ins, excluding the bathroom;

19 (f) A living area shall be wired for telephone service and, where
20 geographically possible, wired for television service;

21 (g) In a new facility, the contractor shall provide a private
22 accessible mailbox; and

23 (h) A home-like smoke-free common area or areas with sufficient
24 space for socialization designed to meet resident needs.

25 The capital rate add-on payment made under this section shall be at
26 least equal to the rate amount received before implementation of the
27 capital rate add-on reduction in funding resulting from chapter 371,
28 Laws of 2002.

29 NEW SECTION. **Sec. 3.** This act may be known and cited as the
30 medicaid payment fairness act for licensed boarding home care.

31 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
32 preservation of the public peace, health, or safety, or support of the
33 state government and its existing public institutions, and takes effect
34 immediately.

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