

# SENATE BILL REPORT

## SB 5347

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As Passed Senate, March 8, 2005

**Title:** An act relating to indemnifying and defending department of social and health services appointed temporary managers in nursing homes.

**Brief Description:** Requiring the department of social and health services to defend temporary managers in nursing homes.

**Sponsors:** Senators Keiser and Brandland; by request of Department of Social and Health Services.

**Brief History:**

**Committee Activity:** Health & Long-Term Care: 1/31/05, 2/7/05 [DP].

Passed Senate: 3/8/05, 49-0.

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

**Majority Report:** Do pass.

Signed by Senators Keiser, Chair; Thibaudeau, Vice Chair; Deccio, Ranking Minority Member; Benson, Brandland, Franklin, Johnson, Kline, Parlette and Poulsen.

**Staff:** Sharon Swanson (786-7447)

**Background:** Temporary managers are appointed to manage nursing homes experiencing difficult times. Examples of situations requiring the use of a temporary manager include the closing of a nursing home, investigations involving financial mismanagement or when allegations of general mismanagement occur. It is only during the most extreme situation that temporary managers are called in. Managers may be needed for as little as thirty days or for as long as several months. Often, a manager will bring in his or her own team to assist in the crises. Since 1989, the department has called upon temporary managers 7 times. The cost of liability insurance for temporary managers is prohibitive. The department wishes to indemnify temporary managers to assist in off setting insurance costs.

**Summary of Bill:** The Department of Social and Health Services (DSHS) will indemnify, defend, and hold harmless temporary managers and their agents for any actions that do not amount of intentional torts or criminal behavior.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** The last time DSHS needed a temporary manager, that manager could not secure insurance for less than one million dollars. There is concern by the agency that we will not be able to hire temporary managers to assist troubled facilities unless we indemnify the managers. This change should result in lower insurance rates. Residents of nursing homes often suffer "transfer trauma". The best way to reduce that trauma is to have temporary managers come into the facility to assist in the process.

**Testimony Against:** None.

**Who Testified:** PRO: Pat Lashway, Department of Social and Health Services; Deb Murphy, Washington Association of Housing and Services for the Aging (WASHA); Jon Eames, Washington Health Care Association; Kary Hyre, Ombudsman.