SHB 3202 - H AMD **1592**
   By Representative Green

NOT CONSIDERED 3/11/2010

1   On page 1, beginning on line 13, after "have" strike "((~~seven~~))
2 <u>six</u>" and insert "seven"

3

4   On page 1, line 15, after "property," strike "<u>and</u>"

5

6   On page 1, line 15, after "allowance" strike "((~~, and variable~~
7 ~~return~~))" and insert ", and variable return"

8

9   On page 2, at the beginning of line 2, strike "((~~variable~~
10 ~~return,~~))" and insert "variable return,"

11

12   On page 2, line 11, strike "<u>that have set up or use sixty beds or</u>
13 <u>fewer</u>"

14

15   On page 2, beginning on line 15, after "~~use~~))." strike all
16 material through "<u>beds.</u>" on line 19

17

18   On page 9, line 12, after "on ((~~eighty-five~~))" strike "<u>ninety-two</u>"
19 and insert "<u>ninety</u>"

20

21   On page 9, line 13, after "occupancy" strike all material through
22 "<u>beds</u>" on line 15

23

24   On page 10, line 5, after "providers" strike "<u>or nonessential</u>
25 <u>community providers with sixty beds or fewer</u>"

26

27

1   On page 10, line 22, after "on ((~~eighty-five~~))" strike "<u>ninety-</u>
2 <u>two</u>" and insert "<u>ninety</u>"

3

4   On page 10, beginning on line 22, after "occupancy" strike all
5 material through "~~occupancy.~~))" on line 29 and insert "Effective July
6 1, 2002, the financing allowance component rate allocation for all
7 facilities, other than essential community providers, shall be set by
8 using the greater of a facility's total resident days from the most
9 recent cost report period or resident days calculated at ninety
10 percent facility occupancy."

11

12   On page 10, line 31, after "<u>.075</u>" insert "<u>for the period of July</u>
13 <u>1, 2010, through June 30, 2011. Beginning July 1, 2011, a financing</u>
14 <u>factor of .085 shall be applied</u>"

15

16   On page 10, line 32, after "<u>.075</u>" insert "<u>, or .085 beginning July</u>
17 <u>1, 2011,</u>"

18

19   On page 11, line 5, after "or ((~~eighty-five~~))" strike "<u>ninety-two</u>"
20 and insert "<u>ninety</u>"

21

22   On page 11, beginning on line 6, strike all material through
23 "<u>beds</u>" on line 7

24

25   On page 11, line 9, after "providers" strike all material through
26 "<u>beds</u>" on line 10

27

28   On page 11, line 14, after "ninety" strike "<u>-two</u>"

29

30   On page 12, beginning on line 7, after "providers" strike all
31 material through "<u>beds</u>" on line 8

32

33   On page 12, line 8, after "ninety" strike "<u>-two</u>"

34

1   On page 14, line 31, after "section." insert "All case mix
 2 adjustments for the period October 1, 2010, through June 30, 2011, are
 3 frozen, and there shall be no retrospective correction of case mix
 4 rates for the period of the freeze."
 5
 6   On page 23, line 12, after "property," strike "and"
 7
 8   On page 23, line 12, after "allowance" strike "((, and variable
 9 return))" and insert ", and variable return"
10
11   On page 23, line 18, after "providers" strike all material through
12 "beds" on line 19
13
14   On page 23, line 19, after "ninety" strike "-two"
15
16   On page 23, beginning on line 29, after "ninety" strike "-two"
17
18   On page 23, line 31, after "ninety" strike "-two"
19
20   On page 24, line 3, after "ninety" strike "-two"
21
22   On page 24, after line 23, strike all material through "turnover."
23 on line 32 and insert the following:
24   "The department shall develop recommendations on performance
25 incentives and standards designed to affect the recruitment, training,
26 and retention of staff and the quality of care for residents. The
27 department shall collaborate with representatives of the following
28 groups on these recommendations:
29   (1) providers;
30   (2) nursing home residents; and
31   (3) nursing home workers.
32 The department shall provide the recommendations of the group to the
33 legislature no later than December 1, 2011."
34

1   On page 24, beginning on line 33, strike all of section 10 and
 2 insert the following:
 3
 4   "**Sec. 10.**   RCW 74.46.433 and 2006 c 258 s 3 are each amended to
 5 read as follows:
 6   (1) The department shall establish for each medicaid nursing
 7 facility a variable return component rate allocation. In determining
 8 the variable return allowance:
 9   (a) Except as provided in (((e))) (d) of this subsection, the
10 variable return array and percentage shall be assigned whenever
11 rebasing of noncapital rate allocations is scheduled under RCW
12 74.46.431 (4), (5), (6), and (7).
13   (b) To calculate the array of facilities ((for the July 1, 2001,
14 rate setting)), the department, without using peer groups, shall first
15 rank all facilities in numerical order from highest to lowest
16 according to each facility's examined and documented, but unlidded,
17 combined direct care, therapy care, support services, and operations
18 per resident day cost ((from the 1999 cost report period)) from the
19 applicable cost report period specified in RCW 74.46.431(4)(a).
20 However, before being combined with other per resident day costs and
21 ranked, a facility's direct care cost per resident day shall be
22 adjusted to reflect its facility average case mix index, to be
23 averaged from the four calendar quarters of ((1999)) the cost report
24 period identified in RCW 74.46.431(4)(a), weighted by the facility's
25 resident days from each quarter, under RCW 74.46.501(7)(b)(ii).   The
26 array shall then be divided into four quartiles, each containing, as
27 nearly as possible, an equal number of facilities, and four percent
28 shall be assigned to facilities in the lowest quartile, three percent
29 to facilities in the next lowest quartile, two percent to facilities
30 in the next highest quartile, and one percent to facilities in the
31 highest quartile.
32   (c) The department shall((, subject to (d) of this subsection,))
33 compute the variable return allowance by multiplying a facility's
34 assigned percentage by the sum of the facility's direct care, therapy

1 care, support services, and operations component rates determined in

2 accordance with this chapter and rules adopted by the department.

3 (d) ((~~Effective July 1, 2001, if a facility's examined and~~

4 ~~documented direct care cost per resident day for the preceding report~~

5 ~~year is lower than its average direct care component rate weighted by~~

6 ~~medicaid resident days for the same year, the facility's direct care~~

7 ~~cost shall be substituted for its July 1, 2001, direct care component~~

8 ~~rate, and its variable return component rate shall be determined or~~

9 ~~adjusted each July 1st by multiplying the facility's assigned~~

10 ~~percentage by the sum of the facility's July 1, 2001, therapy care,~~

11 ~~support services, and operations component rates, and its direct care~~

12 ~~cost per resident day for the preceding year.~~

13 ~~(e) Effective July 1, 2006,~~))

14 The variable return component rate allocation for each facility shall

15 be one-half of the facility's June 30, 2006, variable return component

16 rate allocation.

17 (2) The variable return rate allocation calculated in accordance

18 with this section shall be adjusted to the extent necessary to comply

19 with RCW 74.46.421.

20

21 **Sec. 11.** RCW 74.46.485 and 2009 c 570 s 2 are each amended to

22 read as follows:

23 (1) The department shall:

24 (a) Employ the resource utilization group III case mix

25 classification methodology. The department shall use the forty-four

26 group index maximizing model for the resource utilization group III

27 grouper version 5.10, but the department may revise or update the

28 classification methodology to reflect advances or refinements in

29 resident assessment or classification, subject to federal

30 requirements; and

31 (b) Implement minimum data set 3.0 under the authority of this

32 section and RCW 74.46.431(3). The department must notify nursing home

33 contractors twenty-eight days in advance the date of implementation of

34 the minimum data set 3.0. ((~~In the notification, the department must~~

1 ~~identify for all quarterly rate settings following the date of minimum~~
2 ~~data set 3.0 implementation a previously established quarterly case~~
3 ~~mix adjustment established for the quarterly rate settings that will~~
4 ~~be used for quarterly case mix calculations in direct care until~~
5 ~~minimum data set 3.0 is fully implemented. After the department has~~
6 ~~fully implemented minimum data set 3.0, it must adjust any quarter in~~
7 ~~which it used the previously established quarterly case mix adjustment~~
8 ~~using the new minimum data set 3.0 data.~~))

9   (2) A default case mix group shall be established for cases in
10 which the resident dies or is discharged for any purpose prior to
11 completion of the resident's initial assessment. The default case mix
12 group and case mix weight for these cases shall be designated by the
13 department.

14   (3) A default case mix group may also be established for cases in
15 which there is an untimely assessment for the resident. The default
16 case mix group and case mix weight for these cases shall be designated
17 by the department."

18
19   Renumber the remaining subsections consecutively and correct
20 any internal references accordingly.

21
22   Correct the title.

    EFFECT: Variable return is restored as a rate component and
    funded at 1/2 of the facility's June 30, 2006, allocation.

    Restores minimum occupancy to the currently funded level of 90
    percent for the operations, property, and finance components.

    Temporarily freezes case mix for a nine-month period from
    October 1, 2010 to June 30, 2011 and requires no retroactive
    adjustments to that period.

    The reduction on the percent change for return on investments in
    the finance component from 8.5 percent to 7.5 will expire on July
    1, 2011.

    Removes the provision that authorizes the department to
    establish a pay-for-performance payment structure.

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Adds language that requires a workgroup made up of the department, providers, residents and workers to develop recommendations for performance incentives and standards to affect recruitment, training, and retention of staff.

Restores language that requires the financing component rate allocation for all facilities other than essential community providers, to be set by the greater of a facility's total resident days for the cost reports or ninety percent occupancy.

--- **END** ---