

SHB 2127 - H AMD 1230
By Representative Bailey

FAILED 02/28/2012

1 Beginning on page 62, line 3, strike all of section 206 and insert
2 the following:

3 "Sec. 206. 2011 2nd sp.s. c 9 s 206 (uncodified) is amended to
4 read as follows:

5 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--AGING AND ADULT**
6 **SERVICES PROGRAM**

7	General Fund--State Appropriation (FY 2012)	((\$781,995,000))
8		<u>\$792,160,000</u>
9	General Fund--State Appropriation (FY 2013)	((\$804,465,000))
10		<u>\$802,961,000</u>
11	General Fund--Federal Appropriation	((\$1,680,450,000))
12		<u>\$1,735,905,000</u>
13	General Fund--Private/Local Appropriation	\$27,517,000
14	Traumatic Brain Injury Account--State Appropriation	\$3,388,000
15	Nursing Facility Quality Assurance Account--State	
16	Appropriation	((\$88,071,000))
17		<u>\$88,000,000</u>
18	TOTAL APPROPRIATION	((\$3,385,886,000))
19		<u>\$3,449,931,000</u>

20 The appropriations in this section are subject to the following
21 conditions and limitations:

22 (1) For purposes of implementing chapter 74.46 RCW, the weighted
23 average nursing facility payment rate shall not exceed \$170.37 for
24 fiscal year 2012 and shall not exceed \$171.43 for fiscal year 2013,
25 including the rate add-ons described in (a) and (b) of this subsection.
26 However, if the waiver requested from the federal centers for medicare
27 and medicaid services in relation to the safety net assessment created
28 by Engrossed Substitute Senate Bill No. 5581 (nursing home payments) is
29 for any reason not approved and implemented, the weighted average
30 nursing facility payment rate shall not exceed \$159.87 for fiscal year

1 2012 and shall not exceed \$160.93 for fiscal year 2013. There will be
2 no adjustments for economic trends and conditions in fiscal years 2012
3 and 2013. The economic trends and conditions factor or factors defined
4 in the biennial appropriations act shall not be compounded with the
5 economic trends and conditions factor or factors defined in any other
6 biennial appropriations acts before applying it to the component rate
7 allocations established in accordance with chapter 74.46 RCW. When no
8 economic trends and conditions factor for either fiscal year is defined
9 in a biennial appropriations act, no economic trends and conditions
10 factor or factors defined in any earlier biennial appropriations act
11 shall be applied solely or compounded to the component rate allocations
12 established in accordance with chapter 74.46 RCW.

13 (a) Within the funds provided, the department shall continue to
14 provide an add-on per medicaid resident day per facility not to exceed
15 \$1.57. The add-on shall be used to increase wages, benefits, and/or
16 staffing levels for certified nurse aides; or to increase wages and/or
17 benefits for dietary aides, housekeepers, laundry aides, or any other
18 category of worker whose statewide average dollars-per-hour wage was
19 less than \$15 in calendar year 2008, according to cost report data.
20 The add-on may also be used to address resulting wage compression for
21 related job classes immediately affected by wage increases to low-wage
22 workers. The department shall continue reporting requirements and a
23 settlement process to ensure that the funds are spent according to this
24 subsection.

25 (b) The department shall do a comparative analysis of the facility-
26 based payment rates calculated on July 1, 2011, using the payment
27 methodology defined in Engrossed Substitute Senate Bill No. 5581
28 (nursing home payments), to the facility-based payment rates in effect
29 June 30, 2010. If the facility-based payment rate calculated on July
30 1, 2011, is smaller than the facility-based payment rate on June 30,
31 2010, then the difference shall be provided to the individual nursing
32 facilities as an add-on payment per medicaid resident day.

33 (c) During the comparative analysis performed in subsection (b) of
34 this section, if it is found that the direct care rate for any facility
35 calculated using the payment methodology defined in Engrossed
36 Substitute Senate Bill No. 5581 (nursing home payments) is greater than
37 the direct care rate in effect on June 30, 2010, then the facility

1 shall receive a ten percent direct care rate add-on to compensate that
2 facility for taking on more acute clients than they have in the past.

3 (d) The department shall provide a medicaid rate add-on to
4 reimburse the medicaid share of the skilled nursing facility safety net
5 assessment as a medicaid allowable cost. The nursing facility safety
6 net rate add-on may not be included in the calculation of the annual
7 statewide weighted average nursing facility payment rate.

8 (e) If the waiver requested from the federal centers for medicare
9 and medicaid services in relation to the safety net assessment created
10 by Engrossed Substitute Senate Bill No. 5581 (nursing home payments) is
11 for any reason not approved and implemented, subsections (b), (c), and
12 (d) of this subsection do not apply.

13 (2) After examining actual nursing facility cost information, the
14 legislature finds that the medicaid nursing facility rates calculated
15 pursuant to Engrossed Substitute Senate Bill No. 5581 (nursing home
16 payments) provide sufficient reimbursement to efficiently and
17 economically operating nursing facilities and bear a reasonable
18 relationship to costs.

19 (3) In accordance with chapter 74.46 RCW, the department shall
20 issue no additional certificates of capital authorization for fiscal
21 year 2012 and no new certificates of capital authorization for fiscal
22 year 2013 and shall grant no rate add-ons to payment rates for capital
23 improvements not requiring a certificate of need and a certificate of
24 capital authorization for fiscal years 2012 and 2013.

25 (4) The long-term care program may develop and pay enhanced rates
26 for exceptional care to nursing homes for persons with traumatic brain
27 injuries who are transitioning from hospital care. The cost per
28 patient day for caring for these clients in a nursing home setting may
29 be equal to or less than the cost of caring for these clients in a
30 hospital setting.

31 (5) Amounts appropriated in this section reflect a reduction to
32 funds appropriated for in-home care. The department shall reduce the
33 number of in-home hours authorized. The reduction shall be scaled
34 based on the acuity level of care recipients. The largest hour
35 reductions shall be to lower acuity patients and the smallest hour
36 reductions shall be to higher acuity patients.

37 (6) \$1,883,000 of the general fund--state appropriation for fiscal
38 year 2012, \$1,883,000 of the general fund--state appropriation for

1 fiscal year 2013, and \$3,766,000 of the general fund--federal
2 appropriation are provided solely for state contributions for
3 individual provider health care benefits. Pursuant to the collective
4 bargaining agreement negotiated with the exclusive bargaining
5 representative of individual providers established under RCW
6 74.39A.270, the state shall contribute to the multiemployer health
7 benefits trust fund (~~(\$1.96)~~) \$2.21 per paid hour worked by individual
8 providers.

9 ~~(7) (~~\$16,835,000 of the general fund--state appropriation for~~~~
10 ~~fiscal year 2012, \$17,952,000 of the general fund--state appropriation~~
11 ~~for fiscal year 2013, and \$34,786,000 of the general fund--federal~~
12 ~~appropriation are provided solely for home care agencies to purchase~~
13 ~~health coverage for home care providers. The department shall~~
14 ~~calculate and distribute payments for health care benefits to home care~~
15 ~~agencies at \$558 per month for each worker who cares for publicly~~
16 ~~funded clients at 86 hours or more per month. In order to negotiate~~
17 ~~the most comprehensive health benefits package for its employees, each~~
18 ~~agency may determine benefit levels according to the hours an employee~~
19 ~~works providing state-funded personal care. Health benefits shall be~~
20 ~~offered to all employees who care for publicly funded clients for 86~~
21 ~~hours per month or more. At a minimum, employees who care for publicly~~
22 ~~funded clients at 140 hours a month or greater must receive a~~
23 ~~comprehensive medical benefit. Benefits shall not be provided to~~
24 ~~employees who care for publicly funded clients at 85 hours or less per~~
25 ~~month or as interim respite workers. The department shall not pay an~~
26 ~~agency for benefits provided to an employee who otherwise receives~~
27 ~~health care coverage through other family members, other~~
28 ~~employment-based coverage, or military or veteran's coverage. The~~
29 ~~department shall require annually, each home care agency to review each~~
30 ~~of its employee's available health coverage and to provide a written~~
31 ~~declaration to the department verifying that health benefits purchased~~
32 ~~with public funds are solely for employees that do not have other~~
33 ~~available coverage. Home care agencies may determine a reasonable~~
34 ~~employee co-premium not to exceed 20 percent of the total benefit cost.~~

35 ~~(8))~~ \$2,063,000 of the general fund--state appropriation for
36 fiscal year 2012, \$2,195,000 of the general fund--state appropriation
37 for fiscal year 2013, and \$4,260,000 of the general fund--federal
38 appropriation are provided solely for the state's contribution to the

1 training partnership, as provided in RCW 74.39A.360, for instructional
2 costs associated with the training of individual providers. House Bill
3 No. 1548 and Senate Bill No. 5473 (long-term care worker requirements)
4 make statutory changes to the increased training requirements and
5 therefore the state shall contribute to the partnership \$0.17 per paid
6 hour worked by all home care workers. This amount is pursuant to the
7 collective bargaining agreement negotiated with the exclusive
8 bargaining representative of individual providers established under RCW
9 74.39A.270. Expenditures for the purposes specified in this subsection
10 shall not exceed the amounts provided in this subsection.

11 ~~((+9))~~ (8) Individuals receiving services as supplemental security
12 income (SSI) state supplemental payments shall not become eligible for
13 medical assistance under RCW 74.09.510 due solely to the receipt of SSI
14 state supplemental payments.

15 ~~((+10))~~ (9) The department shall eliminate the adult day health
16 program under the state plan 1915(i) option and shall reestablish it
17 under the long-term care home and community-based waiver.

18 ~~((+11) \$4,588,000)~~ (10) \$4,823,000 of the general fund--state
19 appropriation for fiscal year 2012, ~~((+12) \$4,559,000)~~ \$6,474,000 of the
20 general fund--state appropriation for fiscal year 2013, and
21 ~~((+13) \$9,237,000)~~ \$11,387,000 of the general fund--federal appropriation
22 are provided solely for the continued operation of community
23 residential and support services for persons who are older adults or
24 who have co-occurring medical and behavioral disorders and who have
25 been discharged or diverted from a state psychiatric hospital. These
26 funds shall be used to serve individuals whose treatment needs
27 constitute substantial barriers to community placement, who no longer
28 require active psychiatric treatment at an inpatient hospital level of
29 care, and who no longer meet the criteria for inpatient involuntary
30 commitment. The department shall prioritize services in order to
31 reduce utilization and maintain a reduction of sixty beds at western
32 state hospital that were previously used for long-term placements for
33 clients with dementia, traumatic brain injuries, or other organic brain
34 disorders. The department shall ensure that a sufficient number of
35 individuals have been transitioned and diverted from western state
36 hospital to enable closure of a 30 bed ward on July 1, 2012, and of
37 another 30 bed ward on October 1, 2012. Coordination of these services

1 must be done in partnership between the mental health program and the
2 aging and disability services administration.

3 (12) \$1,840,000 of the general fund--state appropriation for fiscal
4 year 2012 and \$1,877,000 of the general fund--state appropriation for
5 fiscal year 2013 are provided solely for operation of the volunteer
6 services program. Funding shall be prioritized towards serving
7 populations traditionally served by long-term care services to include
8 senior citizens and persons with disabilities.

9 (13) In accordance with Engrossed Substitute House Bill No. 1277
10 (licensed settings for vulnerable adults), nursing facility fees are
11 increased in fiscal year 2012 and adult family home fees are increased
12 in fiscal year 2012 and fiscal year 2013 to support the costs of
13 conducting licensure, inspection, and regulatory programs.

14 (a) The current annual renewal license fee for nursing facilities
15 shall be increased to \$359 per bed beginning in fiscal year 2012 and
16 assumes \$517,000 of the general fund--private/local appropriation.
17 Nursing facilities shall receive a vendor rate increase of \$0.08 per
18 medicaid patient day to cover the license fee increase for publicly
19 funded beds.

20 (b) The current annual renewal license fee for adult family homes
21 shall be increased to \$100 per bed beginning in fiscal year 2012 and
22 assumes \$1,449,000 of the general fund--private/local appropriation;
23 and \$175 per bed beginning in fiscal year 2013 and assumes \$2,463,000
24 of the general fund--private/local appropriation. Adult family homes
25 shall receive a corresponding vendor rate increase per medicaid patient
26 day of \$0.22 in fiscal year 2012 and \$0.43 in fiscal year 2013 to cover
27 the license fee increase for publicly funded beds.

28 (c) Beginning in fiscal year 2012, a processing fee of \$2,750 shall
29 be charged to each adult family home when the home is initially
30 licensed. This fee is nonrefundable.

31 (d) \$72,000 of the general fund--state appropriation for fiscal
32 year 2012, \$708,000 of the general fund--private/local appropriation
33 and \$708,000 of the general fund--federal appropriation are provided
34 solely to implement sections 501 through 503 of Engrossed Substitute
35 House Bill No. 1277 (licensed settings for vulnerable adults). The
36 department shall use additional investigative resources to address
37 complaints about provider practices as well as alleged abuse, neglect,
38 abandonment, and exploitation of residents in adult family homes. The

1 department shall develop a statewide internal quality review and
2 accountability program to improve the accountability of staff and the
3 consistent application of investigative activities, and shall convene
4 a quality assurance panel to review problems in the quality of care in
5 adult family homes.

6 (14) \$3,316,000 of the traumatic brain injury account--state
7 appropriation is provided solely to continue services for persons with
8 traumatic brain injury (TBI) as defined in chapter 143, Laws of 2011
9 (traumatic brain injury strategic partnership).

10 (15) The department is authorized to place long-term care clients
11 residing in nursing homes and paid for with state only funds into less
12 restrictive community care settings while continuing to meet the
13 client's care needs."

14 On page 208, after line 25, insert the following:

15 "Sec. 724. 2011 1st sp.s. c 50 s 709 (uncodified) is amended to
16 read as follows:

17 **INCENTIVE SAVINGS--FY 2012**

18 The sum of (~~one hundred twenty five million~~) forty-six million
19 six hundred fifty-four thousand dollars or so much thereof as may be
20 available on June 30, 2012, from the total amount of unspent fiscal
21 year 2012 state general fund appropriations, exclusive of amounts
22 expressly placed into unallotted status by this act, is appropriated
23 for the purposes of RCW 43.79.460 in the manner provided in this
24 section.

25 (1) Of the total appropriated amount, one-half of that portion that
26 is attributable to incentive savings, not to exceed twenty-five million
27 dollars, is appropriated to the savings incentive account for the
28 purpose of improving the quality, efficiency, and effectiveness of
29 agency services, and credited to the agency that generated the savings.

30 (2) The remainder of the total amount, not to exceed one hundred
31 million dollars, is appropriated to the education savings account.

32 **Sec. 725.** 2011 1st sp.s. c 50 s 710 (uncodified) is amended to
33 read as follows:

34 **INCENTIVE SAVINGS--FY 2013**

1 The sum of (~~one hundred twenty five million~~) forty-six million
2 six hundred fifty-eight thousand dollars or so much thereof as may be
3 available on June 30, 2013, from the total amount of unspent fiscal
4 year 2013 state general fund appropriations, exclusive of amounts
5 expressly placed into unallotted status by this act, is appropriated
6 for the purposes of RCW 43.79.460 in the manner provided in this
7 section.

8 (1) Of the total appropriated amount, one-half of that portion that
9 is attributable to incentive savings, not to exceed twenty-five million
10 dollars, is appropriated to the savings incentive account for the
11 purpose of improving the quality, efficiency, and effectiveness of
12 agency services, and credited to the agency that generated the savings.

13 (2) The remainder of the total amount, not to exceed one hundred
14 million dollars, is appropriated to the education savings account."

15 On page 213, after line 14, strike all material through
16 "\$114,431,000" on line 19 and insert the following:

17 "Education Savings Account: For transfer to the state
18 general fund, \$54,431,000 for fiscal
19 year 2012 (~~and \$22,500,000 for fiscal~~
20 ~~year 2013~~) ((\$76,931,000))
21 \$54,431,000"

22 Correct the title.

EFFECT: DSHS--Aging & Adult Services
Several changes are made to the budget for the DSHS Aging and Adult Services Program. Increased revenue is not assumed from raising the nursing home provider assessment fees or the adult family home licensing fees. Nursing home rates are retained at the current levels. Funding is restored for Adult Day Health and Boarding Home rates. Savings from leveraging additional federal funding is realized by refinancing Medicaid Personal Care (MPC) for Long Term Care and Developmental Disabilities under the 1915 (k) Community First Choice Option (CFCO).

GFS Reversions
FY 12 and 13 appropriations of unspent GFS appropriations into the Education Savings Account and the Savings Incentive Account are

reduced, and the FY 13 transfer from the Education Savings Account into the GFS is eliminated rather than increased. This results in an increase in GFS reversions, increasing net GFS resources by \$6,685,000.

FISCAL IMPACT:

DSHS Long-Term Care

Increases General Fund--State by \$6,685,000.

Increases General Fund--Federal by \$24,839,000.

Decreases General Fund--Private/Local by \$1,354,000.

Decreases Nursing Facility Quality Assurance--State by \$21,246,000.

Assumed GFS Reversions

Increases Net General Fund--State Resources by \$6,685,000.

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