
Appropriations Committee

HB 1193

Brief Description: Calculating the benchmark rate for certain community residential services.

Sponsors: Representatives Lovick, Smith, Robinson, Chandler, Sells, Stanford, Ryu, Ortiz-Self, Peterson, Mead, Gregerson, Kloba, Dent, Riccelli, Orwall, Senn, Doglio, Wylie and Eslick.

Brief Summary of Bill

- Requires the Department of Social and Health Services to use the King County classification for the benchmark rate in Snohomish County for certified community residential services businesses.
- Defines the "benchmark rate" as the rate at which direct care staff hours are paid, subject to a county classification.

Hearing Date: 1/28/19

Staff: Mary Mulholland (786-7391).

Background:

Community Residential Service Businesses.

The Department of Social and Health Services (DSHS) Developmental Disabilities Administration (DDA) provides contracted community residential services for clients who meet Medicaid functional and financial eligibility requirements. A "community residential service business" means a business that is certified by and contracted with the DSHS DDA to provide instruction and support to DDA clients, and includes the following:

- supported living, which serves up to four clients living in homes that are owned, rented, or leased by the clients or their legal representatives;
- group homes, which are facility-based and serve two or more clients;
- group training homes, which are facilities equipped, supervised, managed, and operated on a full-time basis by any person, association, or corporation on a nonprofit basis for the

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full-time care, treatment, training, and maintenance of persons with developmental disabilities; and

- licensed staffed residential homes, which care for up to six child residents who are clients of the DDA, may employ staff, and may be a family residence.

Community residential services may include assistance with activities of daily living (such as bathing, dressing, and eating), instrumental activities of daily living (such as meal preparation and ordinary housework), and habilitation services. Depending on client need, services can range from a few hours per month to 24 hours per day. Clients receive services through a Medicaid waiver. The client capacity for community residential services is determined by legislative appropriation.

Community Residential Rates.

Effective January 1, 2019, the DDA replaced its hourly benchmark-based rate methodology with a tiered rate methodology for community residential services. The tiered rate methodology defines how providers receive payment, and rates vary based on the identified characteristics of each individual client, the county of residence, and the composition of the household. Nine tiers are formed by matching individual clients, whose residential support needs are identified through a DDA assessment process, with associated payment brackets based on cost of service. The Instruction and Support Services (ISS) component is the largest component of the rate, and represents the cost of direct client care, including the wages of direct care employees. The ISS and administrative rate components have three compensation rates within each tier, based on three county classifications.

The county classifications currently used by the DDA for community residential rates are King County, Metropolitan Statistical Area (MSA) counties, and non-MSA counties. The MSA classification represents a relatively free-standing metropolitan area that is not closely associated with other metropolitan areas. Since 2003, the federal Office of Management and Budget has considered King, Pierce, and Snohomish counties as the Seattle-Tacoma-Bellevue MSA, which contains a Seattle-Bellevue-Everett division and a Tacoma-Pierce division.

For the purpose of community residential rates, the DDA still recognizes Snohomish County as its own MSA County. King County is recognized under DDA policy as having unique characteristics relative to other counties for purposes of determining reimbursement rates. Asotin, Benton, Chelan, Clark, Cowlitz, Douglas, Franklin, Island, Kitsap, Mason, Pierce, Skagit, Spokane, Thurston, Whatcom, and Yakima counties are also recognized as MSA counties for the purpose of community residential rates. All other counties are considered non-MSA areas.

Summary of Bill:

The DSHS must use the King County classification for the benchmark rate in Snohomish County for community residential service businesses. The "benchmark rate" is defined as the rate at which direct care staff hours are paid, specific to a county classification. The act is null and void if specific funding is not provided in the omnibus appropriations act by June 30, 2019.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the bill is null and void unless funded in the budget.