
HOUSE BILL 2263

State of Washington

68th Legislature

2024 Regular Session

By Representatives Stonier, Harris, Alvarado, and Tharinger

Read first time 01/10/24. Referred to Committee on Health Care & Wellness.

1 AN ACT Relating to assisted living facilities delivering
2 permanent supportive housing services; amending RCW 18.20.020,
3 18.20.030, 18.20.300, 18.20.310, 18.20.330, 18.20.320, 18.20.350,
4 18.20.360, 74.39A.009, and 74.39A.032; reenacting and amending RCW
5 36.70A.030; and creating a new section.

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

7 NEW SECTION. **Sec. 1.** The legislature recognizes that older
8 adults in need of long-term services and supports are impacted by the
9 housing affordability and homelessness crisis. Particularly, but not
10 exclusively, adults over the age of 65 with fixed, lower incomes and
11 behavioral health and other underlying medical issues are at greatest
12 risk for serious health consequences if housing situations become
13 unstable. Recognizing the interplay between health and housing, the
14 legislature intends to facilitate the incorporation of additional
15 support services within certain existing long-term care settings to
16 provide a harmonious blend of both long-term care assistance and
17 permanent supportive housing within the same facility. This strategic
18 approach aims to:

19 (1) Encourage the delivery of holistic care that considers both
20 clinical and supportive services essential for improving health
21 outcomes and quality of life for medicaid beneficiaries;

1 (2) Foster a seamless integration of services that is responsive
2 to the evolving needs of medicaid beneficiaries residing in certain
3 long-term care settings thereby reducing the likelihood of
4 institutionalization and unnecessary hospitalizations; and

5 (3) Ensure fiscal sustainability by leveraging existing
6 resources, preventing duplicative services, and promoting
7 efficiencies in care coordination.

8 **Sec. 2.** RCW 18.20.020 and 2020 c 312 s 726 are each amended to
9 read as follows:

10 The definitions in this section apply throughout this chapter
11 unless the context clearly requires otherwise.

12 (1) "Adult day services" means care and services provided to a
13 nonresident individual by the assisted living facility on the
14 assisted living facility premises, for a period of time not to exceed
15 ten continuous hours, and does not involve an overnight stay.

16 (2) "Assisted living facility" means any home or other
17 institution, however named, which is advertised, announced, or
18 maintained for the express or implied purpose of providing housing,
19 basic services, and assuming general responsibility for the safety
20 and well-being of the residents, and may also provide domiciliary
21 care (~~(, consistent with chapter 142, Laws of 2004,)~~) and supportive
22 housing services to seven or more residents (~~(after July 1, 2000)~~).
23 However, an assisted living facility that is licensed for three to
24 six residents prior to or on July 1, 2000, may maintain its assisted
25 living facility license as long as it is continually licensed as an
26 assisted living facility. "Assisted living facility" shall not
27 include facilities certified as group training homes pursuant to RCW
28 71A.22.040, nor any home, institution or section thereof which is
29 otherwise licensed and regulated under the provisions of state law
30 providing specifically for the licensing and regulation of such home,
31 institution or section thereof. Nor shall it include any independent
32 senior housing, independent living units in continuing care
33 retirement communities, or other similar living situations
34 (~~(including those subsidized by the department of housing and urban~~
35 ~~development)~~).

36 (3) "Basic services" means housekeeping services, meals,
37 nutritious snacks, laundry, and activities.

38 (4) "Department" means the state department of social and health
39 services.

1 (5) "Domiciliary care" means: Assistance with activities of daily
2 living provided by the assisted living facility either directly or
3 indirectly; or health support services, if provided directly or
4 indirectly by the assisted living facility; or intermittent nursing
5 services, if provided directly or indirectly by the assisted living
6 facility. Domiciliary care does not include costs associated with
7 supportive housing services.

8 (6) "General responsibility for the safety and well-being of the
9 resident" means the provision of the following: Prescribed general
10 low sodium diets; prescribed general diabetic diets; prescribed
11 mechanical soft foods; emergency assistance; monitoring of the
12 resident; arranging health care appointments with outside health care
13 providers and reminding residents of such appointments as necessary;
14 coordinating health care services with outside health care providers
15 consistent with RCW 18.20.380; assisting the resident to obtain and
16 maintain glasses, hearing aids, dentures, canes, crutches, walkers,
17 wheelchairs, and assistive communication devices; observation of the
18 resident for changes in overall functioning; blood pressure checks as
19 scheduled; responding appropriately when there are observable or
20 reported changes in the resident's physical, mental, or emotional
21 functioning; or medication assistance as permitted under RCW
22 69.41.085 and as defined in RCW 69.41.010.

23 (7) "Legal representative" means a person or persons identified
24 in RCW 7.70.065 who may act on behalf of the resident pursuant to the
25 scope of their legal authority. The legal representative shall not be
26 affiliated with the licensee, assisted living facility, or management
27 company, unless the affiliated person is a family member of the
28 resident.

29 (8) "Nonresident individual" means a person who resides in
30 independent senior housing, independent living units in continuing
31 care retirement communities, or in other similar living environments
32 or in an unlicensed room located within an assisted living facility.
33 Nothing in this chapter prohibits nonresidents from receiving one or
34 more of the services listed in RCW 18.20.030(5) or requires licensure
35 as an assisted living facility when one or more of the services
36 listed in RCW 18.20.030(5) are provided to nonresidents. A
37 nonresident individual may not receive domiciliary care, as defined
38 in this chapter, directly or indirectly by the assisted living
39 facility and may not receive the items and services listed in

1 subsection (6) of this section, except during the time the person is
2 receiving adult day services as defined in this section.

3 (9) "Person" means any individual, firm, partnership,
4 corporation, company, association, or joint stock association, and
5 the legal successor thereof.

6 (10) "Resident" means an individual who is not related by blood
7 or marriage to the operator of the assisted living facility, and by
8 reason of age or disability, chooses to reside in the assisted living
9 facility and receives basic services and one or more of the services
10 listed under general responsibility for the safety and well-being of
11 the resident and may receive domiciliary care or respite care
12 provided directly or indirectly by the assisted living facility and
13 shall be permitted to receive hospice care through an outside service
14 provider when arranged by the resident or the resident's legal
15 representative under RCW 18.20.380.

16 (11) "Resident applicant" means an individual who is seeking
17 admission to a licensed assisted living facility and who has
18 completed and signed an application for admission, or such
19 application for admission has been completed and signed in their
20 behalf by their legal representative if any, and if not, then the
21 designated representative if any.

22 (12) "Resident's representative" means a person designated
23 voluntarily by a competent resident, in writing, to act in the
24 resident's behalf concerning the care and services provided by the
25 assisted living facility and to receive information from the assisted
26 living facility, if there is no legal representative. The resident's
27 competence shall be determined using the criteria in chapter 11.130
28 RCW. The resident's representative may not be affiliated with the
29 licensee, assisted living facility, or management company, unless the
30 affiliated person is a family member of the resident. The resident's
31 representative shall not have authority to act on behalf of the
32 resident once the resident is no longer competent.

33 (13) "Secretary" means the secretary of social and health
34 services.

35 (14) "Supportive housing services" means permanent supportive
36 services that are provided to clients on the premises of an assisted
37 living facility solely to maintain stable housing of a client and do
38 not duplicate "assisted living services" referenced in RCW 74.39A.009
39 (4).

1 **Sec. 3.** RCW 18.20.030 and 2012 c 10 s 3 are each amended to read
2 as follows:

3 (1) After January 1, 1958, no person shall operate or maintain an
4 assisted living facility as defined in this chapter within this state
5 without a license under this chapter.

6 (2) An assisted living facility license is not required for the
7 housing, or services, that are customarily provided under landlord-
8 tenant agreements governed by the residential landlord-tenant act,
9 chapter 59.18 RCW, or when housing nonresident individuals who chose
10 to participate in programs or services under subsection (5) of this
11 section, when offered by the assisted living facility licensee or the
12 licensee's contractor. This subsection does not prohibit the licensee
13 from furnishing written information concerning available community
14 resources to the nonresident individual or the individual's family
15 members or legal representatives. The licensee may not require the
16 use of any particular service provider.

17 (3) Residents receiving domiciliary care or supportive housing
18 services, directly or indirectly by the assisted living facility, are
19 not considered nonresident individuals for the purposes of this
20 section.

21 (4) An assisted living facility license is required when any
22 person other than an outside service provider, under RCW 18.20.380,
23 or family member:

24 (a) Assumes general responsibility for the safety and well-being
25 of a resident;

26 (b) Provides assistance with activities of daily living, either
27 directly or indirectly;

28 (c) Provides health support services, either directly or
29 indirectly; or

30 (d) Provides intermittent nursing services, either directly or
31 indirectly.

32 (5) An assisted living facility license is not required for one
33 or more of the following services that may, upon the request of the
34 nonresident, be provided to a nonresident individual: (a) Emergency
35 assistance provided on an intermittent or nonroutine basis; (b)
36 systems, including technology-based monitoring devices, employed by
37 independent senior housing, or independent living units in continuing
38 care retirement communities, to respond to the potential need for
39 emergency services; (c) scheduled and nonscheduled blood pressure
40 checks; (d) nursing assessment services to determine whether referral

1 to an outside health care provider is recommended; (e) making and
2 reminding the nonresident of health care appointments; (f)
3 preadmission assessment for the purposes of transitioning to a
4 licensed care setting; (g) medication assistance which may include
5 reminding or coaching the nonresident, opening the nonresident's
6 medication container, using an enabler, and handing prefilled insulin
7 syringes to the nonresident; (h) falls risk assessment; (i) nutrition
8 management and education services; (j) dental services; (k) wellness
9 programs; (l) prefilling insulin syringes when performed by a nurse
10 licensed under chapter 18.79 RCW; or (m) services customarily
11 provided under landlord-tenant agreements governed by the residential
12 landlord-tenant act, chapter 59.18 RCW.

13 **Sec. 4.** RCW 18.20.300 and 2012 c 10 s 19 are each amended to
14 read as follows:

15 (1) An assisted living facility, licensed under this chapter, may
16 provide domiciliary care services and supportive housing services, as
17 defined in this chapter, and shall disclose the scope of care and
18 services that it chooses to provide.

19 (2) The assisted living facility licensee shall disclose to the
20 residents, the residents' legal representative if any, and if not,
21 the residents' representative if any, and to interested consumers
22 upon request, the scope of care and services offered, using the form
23 developed and provided by the department, in addition to any
24 supplemental information that may be provided by the licensee. The
25 form that the department develops shall be standardized, reasonable
26 in length, and easy to read. The assisted living facility's
27 disclosure statement shall indicate the scope of domiciliary care
28 assistance provided and shall indicate that it permits the resident
29 or the resident's legal representative to independently arrange for
30 outside services under RCW 18.20.380.

31 (3)(a) If the assisted living facility licensee decreases the
32 scope of services that it provides due to circumstances beyond the
33 licensee's control, the licensee shall provide a minimum of thirty
34 days' written notice to the residents, the residents' legal
35 representative if any, and if not, the residents' representative if
36 any, before the effective date of the decrease in the scope of care
37 or services provided.

38 (b) If the licensee voluntarily decreases the scope of services,
39 and any such decrease in the scope of services provided will result

1 in the discharge of one or more residents, then ninety days' written
2 notice shall be provided prior to the effective date of the decrease.
3 Notice shall be provided to the affected residents, the residents'
4 legal representative if any, and if not, the residents'
5 representative if any.

6 (c) If the assisted living facility licensee increases the scope
7 of services that it chooses to provide, the licensee shall promptly
8 provide written notice to the residents, the residents' legal
9 representative if any, and if not, the residents' representative if
10 any, and shall indicate the date on which the increase in the scope
11 of care or services is effective.

12 (4) When the care needs of a resident exceed the disclosed scope
13 of care or services that an assisted living facility licensee
14 provides, the licensee may exceed the care or services disclosed
15 consistent with RCW 70.129.030(3) and 70.129.110(3)(a). Providing
16 care or services to a resident that exceed the care and services
17 disclosed may or may not mean that the provider is capable of or
18 required to provide the same care or services to other residents.

19 (5) Even though the assisted living facility licensee may
20 disclose that it can provide certain care or services to resident
21 applicants or to their legal representative if any, and if not, to
22 the resident applicants' representative if any, the licensee may deny
23 admission to a resident applicant when the licensee determines that
24 the needs of the resident applicant cannot be met, as long as the
25 provider operates in compliance with state and federal law, including
26 RCW 70.129.030(3).

27 (6) The disclosure form is intended to assist consumers in
28 selecting assisted living facility services and, therefore, shall not
29 be construed as an implied or express contract between the assisted
30 living facility licensee and the resident.

31 **Sec. 5.** RCW 18.20.310 and 2017 c 201 s 1 are each amended to
32 read as follows:

33 (1) Assisted living facilities are not required to provide
34 assistance with one or more activities of daily living.

35 (2) If an assisted living facility licensee chooses to provide
36 assistance with activities of daily living, the licensee shall
37 provide at least the minimal level of assistance for all activities
38 of daily living consistent with subsection (3) of this section and
39 consistent with the reasonable accommodation requirements in state or

1 federal laws. "Activities of daily living" means the following self-
2 care activities related to personal care:

- 3 (a) Bathing;
- 4 (b) Dressing;
- 5 (c) Eating;
- 6 (d) Personal hygiene;
- 7 (e) Transferring;
- 8 (f) Toileting;
- 9 (g) Ambulation and mobility; and
- 10 (h) Medication assistance, as defined in RCW 69.41.010.

11 (3) The department shall, in rule, define the minimum level of
12 assistance that will be provided for all activities of daily living,
13 however, such rules shall not require more than occasional stand-by
14 assistance or more than occasional physical assistance.

15 (4) The licensee shall clarify, through the disclosure form, the
16 assistance with activities of daily living that may be provided, and
17 any limitations or conditions that may apply. The licensee shall also
18 clarify through the disclosure form any additional services that may
19 be provided.

20 (5) In providing assistance with activities of daily living, the
21 assisted living facility shall observe the resident for changes in
22 overall functioning and respond appropriately when there are
23 observable or reported changes in the resident's physical, mental, or
24 emotional functioning.

25 (6) For the purposes of this section, assistance with activities
26 of daily living does not include costs associated with supportive
27 housing services.

28 **Sec. 6.** RCW 18.20.330 and 2012 c 10 s 22 are each amended to
29 read as follows:

30 (1) Assisted living facilities are not required to provide
31 intermittent nursing services. The assisted living facility licensee
32 may choose to provide any of the following intermittent nursing
33 services through appropriately licensed and credentialed staff,
34 however, the facility may or may not need to provide additional
35 intermittent nursing services to comply with the reasonable
36 accommodation requirements in federal or state law:

- 37 (a) Medication administration;
- 38 (b) Administration of health care treatments;
- 39 (c) Diabetic management;

1 (d) Nonroutine ostomy care;

2 (e) Tube feeding; and

3 (f) Nurse delegation consistent with chapter 18.79 RCW.

4 (2) The licensee shall clarify on the disclosure form any
5 limitations, additional services, or conditions that may apply under
6 this section.

7 (3) In providing intermittent nursing services, the assisted
8 living facility shall observe the resident for changes in overall
9 functioning and respond appropriately when there are observable or
10 reported changes in the resident's physical, mental, or emotional
11 functioning.

12 (4) The assisted living facility may provide intermittent nursing
13 services to the extent permitted by RCW 18.20.160.

14 (5) For the purposes of this section, intermittent nursing
15 services does not include costs associated with supportive housing
16 services.

17 **Sec. 7.** RCW 18.20.320 and 2012 c 10 s 21 are each amended to
18 read as follows:

19 (1) The assisted living facility licensee may choose to provide
20 any of the following health support services, however, the facility
21 may or may not need to provide additional health support services to
22 comply with the reasonable accommodation requirements in federal or
23 state law:

24 (a) Blood glucose testing;

25 (b) Puree diets;

26 (c) Calorie controlled diabetic diets;

27 (d) Dementia care;

28 (e) Mental health care; and

29 (f) Developmental disabilities care.

30 (2) The licensee shall clarify on the disclosure form any
31 limitations, additional services, or conditions that may apply.

32 (3) In providing health support services, the assisted living
33 facility shall observe the resident for changes in overall
34 functioning and respond appropriately when there are observable or
35 reported changes in the resident's physical, mental, or emotional
36 functioning.

37 (4) For the purposes of this section, health support services do
38 not include costs associated with supportive housing services.

1 **Sec. 8.** RCW 18.20.350 and 2012 c 10 s 24 are each amended to
2 read as follows:

3 (1) The assisted living facility licensee shall conduct a
4 preadmission assessment for each resident applicant. The preadmission
5 assessment shall include the following information, unless
6 unavailable despite the best efforts of the licensee:

7 (a) Medical history;

8 (b) Necessary and contraindicated medications;

9 (c) A licensed medical or health professional's diagnosis, unless
10 the individual objects for religious reasons;

11 (d) Significant known behaviors or symptoms that may cause
12 concern or require special care;

13 (e) Mental illness diagnosis, except where protected by
14 confidentiality laws;

15 (f) Level of personal care needs;

16 (g) Level of need for supportive housing services;

17 (h) Activities and service preferences; and

18 (~~(h)~~) (i) Preferences regarding other issues important to the
19 resident applicant, such as food and daily routine.

20 (2) The assisted living facility licensee shall complete the
21 preadmission assessment before admission unless there is an
22 emergency. If there is an emergency admission, the preadmission
23 assessment shall be completed within five days of the date of
24 admission. For purposes of this section, "emergency" includes, but is
25 not limited to: Evening, weekend, or Friday afternoon admissions if
26 the resident applicant would otherwise need to remain in an unsafe
27 setting or be without adequate and safe housing.

28 (3) The assisted living facility licensee shall complete an
29 initial resident service plan upon move-in to identify the resident's
30 immediate needs and to provide direction to staff and caregivers
31 relating to the resident's immediate needs. The initial resident
32 service plan shall include as much information as can be obtained,
33 under subsection (1) of this section.

34 (4) When a facility provides respite care, before or at the time
35 of admission, the facility must obtain sufficient information to meet
36 the individual's anticipated needs. At a minimum, such information
37 must include:

38 (a) The name, address, and telephone number of the individual's
39 attending physician, and alternate physician if any;

1 (b) Medical and social history, which may be obtained from a
2 respite care assessment and service plan performed by a case manager
3 designated by an area agency on aging under contract with the
4 department, and mental and physical assessment data;

5 (c) Physician's orders for diet, medication, and routine care
6 consistent with the individual's status on admission;

7 (d) Ensure the individuals have assessments performed, where
8 needed, and where the assessment of the individual reveals symptoms
9 of tuberculosis, follow required tuberculosis testing requirements;
10 and

11 (e) With the participation of the individual and, where
12 appropriate, their representative, develop a plan of care to maintain
13 or improve their health, housing, and functional status during their
14 stay in the facility.

15 **Sec. 9.** RCW 18.20.360 and 2012 c 10 s 25 are each amended to
16 read as follows:

17 (1) The assisted living facility licensee shall within fourteen
18 days of the resident's date of move-in, unless extended by the
19 department for good cause, and thereafter at least annually, complete
20 a full reassessment addressing the following:

21 (a) The individual's recent medical history, including, but not
22 limited to: A health professional's diagnosis, unless the resident
23 objects for religious reasons; chronic, current, and potential skin
24 conditions; known allergies to foods or medications; or other
25 considerations for providing care or services;

26 (b) Current necessary and contraindicated medications and
27 treatments for the individual, including:

28 (i) Any prescribed medications and over-the-counter medications
29 that are commonly taken by the individual, and that the individual is
30 able to independently self-administer or safely and accurately direct
31 others to administer to him or her;

32 (ii) Any prescribed medications and over-the-counter medications
33 that are commonly taken by the individual and that the individual is
34 able to self-administer when he or she has the assistance of a
35 resident-care staff person; and

36 (iii) Any prescribed medications and over-the-counter medications
37 that are commonly taken by the individual and that the individual is
38 not able to self-administer;

1 (c) The individual's nursing needs when the individual requires
2 the services of a nurse on the assisted living facility premises;

3 (d) The individual's sensory abilities, including vision and
4 hearing;

5 (e) The individual's communication abilities, including modes of
6 expression, ability to make himself or herself understood, and
7 ability to understand others;

8 (f) Significant known behaviors or symptoms of the individual
9 causing concern or requiring special care, including: History of
10 substance abuse; history of harming self, others, or property, or
11 other conditions that may require behavioral intervention strategies;
12 the individual's ability to leave the assisted living facility
13 unsupervised; and other safety considerations that may pose a danger
14 to the individual or others, such as use of medical devices or the
15 individual's ability to smoke unsupervised, if smoking is permitted
16 in the assisted living facility;

17 (g) The individual's special needs, including needs for
18 supportive housing services, by evaluating available information, or
19 selecting and using an appropriate tool to determine the presence of
20 symptoms consistent with, and implications for care and services of:
21 Mental illness, or needs for psychological or mental health services,
22 except where protected by confidentiality laws; developmental
23 disability; dementia; or other conditions affecting cognition, such
24 as traumatic brain injury;

25 (h) The individual's level of personal care needs, including:
26 Ability to perform activities of daily living; medication management
27 ability, including the individual's ability to obtain and
28 appropriately use over-the-counter medications; and how the
29 individual will obtain prescribed medications for use in the assisted
30 living facility;

31 (i) The individual's activities, typical daily routines, habits,
32 and service preferences;

33 (j) The individual's personal identity and lifestyle, to the
34 extent the individual is willing to share the information, and the
35 manner in which they are expressed, including preferences regarding
36 food, community contacts, hobbies, spiritual preferences, or other
37 sources of pleasure and comfort; and

38 (k) Who has decision-making authority for the individual,
39 including: The presence of any advance directive, or other legal
40 document that will establish a substitute decision maker in the

1 future; the presence of any legal document that establishes a current
2 substitute decision maker; and the scope of decision-making authority
3 of any substitute decision maker.

4 (2) The assisted living facility shall complete a limited
5 assessment of a resident's change of condition when the resident's
6 negotiated service agreement no longer addresses the resident's
7 current needs.

8 **Sec. 10.** RCW 36.70A.030 and 2023 c 332 s 2 and 2023 c 228 s 14
9 are each reenacted and amended to read as follows:

10 Unless the context clearly requires otherwise, the definitions in
11 this section apply throughout this chapter.

12 (1) "Active transportation" means forms of pedestrian mobility
13 including walking or running, the use of a mobility assistive device
14 such as a wheelchair, bicycling and cycling irrespective of the
15 number of wheels, and the use of small personal devices such as foot
16 scooters or skateboards. Active transportation includes both
17 traditional and electric assist bicycles and other devices. Planning
18 for active transportation must consider and address accommodation
19 pursuant to the Americans with disabilities act and the distinct
20 needs of each form of active transportation.

21 (2) "Active transportation facilities" means facilities provided
22 for the safety and mobility of active transportation users including,
23 but not limited to, trails, as defined in RCW 47.30.005, sidewalks,
24 bike lanes, shared-use paths, and other facilities in the public
25 right-of-way.

26 (3) "Administrative design review" means a development permit
27 process whereby an application is reviewed, approved, or denied by
28 the planning director or the planning director's designee based
29 solely on objective design and development standards without a public
30 predecision hearing, unless such review is otherwise required by
31 state or federal law, or the structure is a designated landmark or
32 historic district established under a local preservation ordinance. A
33 city may utilize public meetings, hearings, or voluntary review
34 boards to consider, recommend, or approve requests for variances from
35 locally established design review standards.

36 (4) "Adopt a comprehensive land use plan" means to enact a new
37 comprehensive land use plan or to update an existing comprehensive
38 land use plan.

1 (5) "Affordable housing" means, unless the context clearly
2 indicates otherwise, residential housing whose monthly costs,
3 including utilities other than telephone, do not exceed thirty
4 percent of the monthly income of a household whose income is:

5 (a) For rental housing, 60 percent of the median household income
6 adjusted for household size, for the county where the household is
7 located, as reported by the United States department of housing and
8 urban development; or

9 (b) For owner-occupied housing, 80 percent of the median
10 household income adjusted for household size, for the county where
11 the household is located, as reported by the United States department
12 of housing and urban development.

13 (6) "Agricultural land" means land primarily devoted to the
14 commercial production of horticultural, viticultural, floricultural,
15 dairy, apiary, vegetable, or animal products or of berries, grain,
16 hay, straw, turf, seed, Christmas trees not subject to the excise tax
17 imposed by RCW 84.33.100 through 84.33.140, finfish in upland
18 hatcheries, or livestock, and that has long-term commercial
19 significance for agricultural production.

20 (7) "City" means any city or town, including a code city.

21 (8) "Comprehensive land use plan," "comprehensive plan," or
22 "plan" means a generalized coordinated land use policy statement of
23 the governing body of a county or city that is adopted pursuant to
24 this chapter.

25 (9) "Cottage housing" means residential units on a lot with a
26 common open space that either: (a) Is owned in common; or (b) has
27 units owned as condominium units with property owned in common and a
28 minimum of 20 percent of the lot size as open space.

29 (10) "Courtyard apartments" means up to four attached dwelling
30 units arranged on two or three sides of a yard or court.

31 (11) "Critical areas" include the following areas and ecosystems:
32 (a) Wetlands; (b) areas with a critical recharging effect on aquifers
33 used for potable water; (c) fish and wildlife habitat conservation
34 areas; (d) frequently flooded areas; and (e) geologically hazardous
35 areas. "Fish and wildlife habitat conservation areas" does not
36 include such artificial features or constructs as irrigation delivery
37 systems, irrigation infrastructure, irrigation canals, or drainage
38 ditches that lie within the boundaries of and are maintained by a
39 port district or an irrigation district or company.

40 (12) "Department" means the department of commerce.

1 (13) "Development regulations" or "regulation" means the controls
2 placed on development or land use activities by a county or city,
3 including, but not limited to, zoning ordinances, critical areas
4 ordinances, shoreline master programs, official controls, planned
5 unit development ordinances, subdivision ordinances, and binding site
6 plan ordinances together with any amendments thereto. A development
7 regulation does not include a decision to approve a project permit
8 application, as defined in RCW 36.70B.020, even though the decision
9 may be expressed in a resolution or ordinance of the legislative body
10 of the county or city.

11 (14) "Emergency housing" means temporary indoor accommodations
12 for individuals or families who are homeless or at imminent risk of
13 becoming homeless that is intended to address the basic health, food,
14 clothing, and personal hygiene needs of individuals or families.
15 Emergency housing may or may not require occupants to enter into a
16 lease or an occupancy agreement.

17 (15) "Emergency shelter" means a facility that provides a
18 temporary shelter for individuals or families who are currently
19 homeless. Emergency shelter may not require occupants to enter into a
20 lease or an occupancy agreement. Emergency shelter facilities may
21 include day and warming centers that do not provide overnight
22 accommodations.

23 (16) "Environmental justice" means the fair treatment and
24 meaningful involvement of all people regardless of race, color,
25 national origin, or income with respect to development,
26 implementation, and enforcement of environmental laws, regulations,
27 and policies. Environmental justice includes addressing
28 disproportionate environmental and health impacts in all laws, rules,
29 and policies with environmental impacts by prioritizing vulnerable
30 populations and overburdened communities and the equitable
31 distribution of resources and benefits.

32 (17) "Extremely low-income household" means a single person,
33 family, or unrelated persons living together whose adjusted income is
34 at or below thirty percent of the median household income adjusted
35 for household size, for the county where the household is located, as
36 reported by the United States department of housing and urban
37 development.

38 (18) "Forestland" means land primarily devoted to growing trees
39 for long-term commercial timber production on land that can be
40 economically and practically managed for such production, including

1 Christmas trees subject to the excise tax imposed under RCW 84.33.100
2 through 84.33.140, and that has long-term commercial significance. In
3 determining whether forestland is primarily devoted to growing trees
4 for long-term commercial timber production on land that can be
5 economically and practically managed for such production, the
6 following factors shall be considered: (a) The proximity of the land
7 to urban, suburban, and rural settlements; (b) surrounding parcel
8 size and the compatibility and intensity of adjacent and nearby land
9 uses; (c) long-term local economic conditions that affect the ability
10 to manage for timber production; and (d) the availability of public
11 facilities and services conducive to conversion of forestland to
12 other uses.

13 (19) "Freight rail dependent uses" means buildings and other
14 infrastructure that are used in the fabrication, processing, storage,
15 and transport of goods where the use is dependent on and makes use of
16 an adjacent short line railroad. Such facilities are both urban and
17 rural development for purposes of this chapter. "Freight rail
18 dependent uses" does not include buildings and other infrastructure
19 that are used in the fabrication, processing, storage, and transport
20 of coal, liquefied natural gas, or "crude oil" as defined in RCW
21 90.56.010.

22 (20) "Geologically hazardous areas" means areas that because of
23 their susceptibility to erosion, sliding, earthquake, or other
24 geological events, are not suited to the siting of commercial,
25 residential, or industrial development consistent with public health
26 or safety concerns.

27 (21) "Green infrastructure" means a wide array of natural assets
28 and built structures within an urban growth area boundary, including
29 parks and other areas with protected tree canopy, and management
30 practices at multiple scales that manage wet weather and that
31 maintain and restore natural hydrology by storing, infiltrating,
32 evapotranspiring, and harvesting and using stormwater.

33 (22) "Green space" means an area of land, vegetated by natural
34 features such as grass, trees, or shrubs, within an urban context and
35 less than one acre in size that creates public value through one or
36 more of the following attributes:

- 37 (a) Is accessible to the public;
- 38 (b) Promotes physical and mental health of residents;
- 39 (c) Provides relief from the urban heat island effects;
- 40 (d) Promotes recreational and aesthetic values;

- 1 (e) Protects streams or water supply; or
- 2 (f) Preserves visual quality along highway, road, or street
- 3 corridors.

4 (23) "Long-term commercial significance" includes the growing
5 capacity, productivity, and soil composition of the land for long-
6 term commercial production, in consideration with the land's
7 proximity to population areas, and the possibility of more intense
8 uses of the land.

9 (24) "Low-income household" means a single person, family, or
10 unrelated persons living together whose adjusted income is at or
11 below eighty percent of the median household income adjusted for
12 household size, for the county where the household is located, as
13 reported by the United States department of housing and urban
14 development.

15 (25) "Major transit stop" means:

- 16 (a) A stop on a high capacity transportation system funded or
- 17 expanded under the provisions of chapter 81.104 RCW;
- 18 (b) Commuter rail stops;
- 19 (c) Stops on rail or fixed guideway systems; or
- 20 (d) Stops on bus rapid transit routes.

21 (26) "Middle housing" means buildings that are compatible in
22 scale, form, and character with single-family houses and contain two
23 or more attached, stacked, or clustered homes including duplexes,
24 triplexes, fourplexes, fiveplexes, sixplexes, townhouses, stacked
25 flats, courtyard apartments, and cottage housing.

26 (27) "Minerals" include gravel, sand, and valuable metallic
27 substances.

28 (28) "Moderate-income household" means a single person, family,
29 or unrelated persons living together whose adjusted income is at or
30 below 120 percent of the median household income adjusted for
31 household size, for the county where the household is located, as
32 reported by the United States department of housing and urban
33 development.

34 (29) "Overburdened community" means a geographic area where
35 vulnerable populations face combined, multiple environmental harms
36 and health impacts, and includes, but is not limited to, highly
37 impacted communities as defined in RCW 19.405.020.

38 (30) "Per capita vehicle miles traveled" means the number of
39 miles traveled using cars and light trucks in a calendar year divided

1 by the number of residents in Washington. The calculation of this
2 value excludes vehicle miles driven conveying freight.

3 (31) "Permanent supportive housing" is subsidized, leased housing
4 with no limit on length of stay that prioritizes people who need
5 comprehensive support services to retain tenancy and utilizes
6 admissions practices designed to use lower barriers to entry than
7 would be typical for other subsidized or unsubsidized rental housing,
8 especially related to rental history, criminal history, and personal
9 behaviors. Permanent supportive housing is paired with on-site or
10 off-site voluntary services designed to support a person living with
11 a complex and disabling behavioral health or physical health
12 condition who was experiencing homelessness or was at imminent risk
13 of homelessness prior to moving into housing to retain their housing
14 and be a successful tenant in a housing arrangement, improve the
15 resident's health status, and connect the resident of the housing
16 with community-based health care, treatment, or employment services.
17 ((Permanent)) For the purposes of this subsection, permanent
18 supportive housing includes rooms in assisted living facilities
19 licensed under chapter 18.20 RCW that are occupied by clients
20 receiving supportive housing services defined in RCW 18.20.020 and
21 74.39A.009. Except for the rooms in assisted living facilities
22 licensed under chapter 18.20 RCW that are occupied by clients
23 receiving supportive housing services defined in RCW 18.20.020 and
24 74.39A.009, permanent supportive housing is subject to all of the
25 rights and responsibilities defined in chapter 59.18 RCW.

26 (32) "Public facilities" include streets, roads, highways,
27 sidewalks, street and road lighting systems, traffic signals,
28 domestic water systems, storm and sanitary sewer systems, parks and
29 recreational facilities, and schools.

30 (33) "Public services" include fire protection and suppression,
31 law enforcement, public health, education, recreation, environmental
32 protection, and other governmental services.

33 (34) "Recreational land" means land so designated under RCW
34 36.70A.1701 and that, immediately prior to this designation, was
35 designated as agricultural land of long-term commercial significance
36 under RCW 36.70A.170. Recreational land must have playing fields and
37 supporting facilities existing before July 1, 2004, for sports played
38 on grass playing fields.

1 (35) "Rural character" refers to the patterns of land use and
2 development established by a county in the rural element of its
3 comprehensive plan:

4 (a) In which open space, the natural landscape, and vegetation
5 predominate over the built environment;

6 (b) That foster traditional rural lifestyles, rural-based
7 economies, and opportunities to both live and work in rural areas;

8 (c) That provide visual landscapes that are traditionally found
9 in rural areas and communities;

10 (d) That are compatible with the use of the land by wildlife and
11 for fish and wildlife habitat;

12 (e) That reduce the inappropriate conversion of undeveloped land
13 into sprawling, low-density development;

14 (f) That generally do not require the extension of urban
15 governmental services; and

16 (g) That are consistent with the protection of natural surface
17 water flows and groundwater and surface water recharge and discharge
18 areas.

19 (36) "Rural development" refers to development outside the urban
20 growth area and outside agricultural, forest, and mineral resource
21 lands designated pursuant to RCW 36.70A.170. Rural development can
22 consist of a variety of uses and residential densities, including
23 clustered residential development, at levels that are consistent with
24 the preservation of rural character and the requirements of the rural
25 element. Rural development does not refer to agriculture or forestry
26 activities that may be conducted in rural areas.

27 (37) "Rural governmental services" or "rural services" include
28 those public services and public facilities historically and
29 typically delivered at an intensity usually found in rural areas, and
30 may include domestic water systems and fire and police protection
31 services associated with rural development and normally not
32 associated with urban areas. Rural services do not include storm or
33 sanitary sewers, except as otherwise authorized by RCW 36.70A.110(4).

34 (38) "Short line railroad" means those railroad lines designated
35 class II or class III by the United States surface transportation
36 board.

37 (39) "Single-family zones" means those zones where single-family
38 detached housing is the predominant land use.

1 (40) "Stacked flat" means dwelling units in a residential
2 building of no more than three stories on a residential zoned lot in
3 which each floor may be separately rented or owned.

4 (41) "Townhouses" means buildings that contain three or more
5 attached single-family dwelling units that extend from foundation to
6 roof and that have a yard or public way on not less than two sides.

7 (42) "Transportation system" means all infrastructure and
8 services for all forms of transportation within a geographical area,
9 irrespective of the responsible jurisdiction or transportation
10 provider.

11 (43) "Urban governmental services" or "urban services" include
12 those public services and public facilities at an intensity
13 historically and typically provided in cities, specifically including
14 storm and sanitary sewer systems, domestic water systems, street
15 cleaning services, fire and police protection services, public
16 transit services, and other public utilities associated with urban
17 areas and normally not associated with rural areas.

18 (44) "Urban growth" refers to growth that makes intensive use of
19 land for the location of buildings, structures, and impermeable
20 surfaces to such a degree as to be incompatible with the primary use
21 of land for the production of food, other agricultural products, or
22 fiber, or the extraction of mineral resources, rural uses, rural
23 development, and natural resource lands designated pursuant to RCW
24 36.70A.170. A pattern of more intensive rural development, as
25 provided in RCW 36.70A.070(5)(d), is not urban growth. When allowed
26 to spread over wide areas, urban growth typically requires urban
27 governmental services. "Characterized by urban growth" refers to land
28 having urban growth located on it, or to land located in relationship
29 to an area with urban growth on it as to be appropriate for urban
30 growth.

31 (45) "Urban growth areas" means those areas designated by a
32 county pursuant to RCW 36.70A.110.

33 (46) "Very low-income household" means a single person, family,
34 or unrelated persons living together whose adjusted income is at or
35 below fifty percent of the median household income adjusted for
36 household size, for the county where the household is located, as
37 reported by the United States department of housing and urban
38 development.

39 (47)(a) "Vulnerable populations" means population groups that are
40 more likely to be at higher risk for poor health outcomes in response

1 to environmental harms, due to: (i) Adverse socioeconomic factors,
2 such as unemployment, high housing and transportation costs relative
3 to income, limited access to nutritious food and adequate health
4 care, linguistic isolation, and other factors that negatively affect
5 health outcomes and increase vulnerability to the effects of
6 environmental harms; and (ii) sensitivity factors, such as low birth
7 weight and higher rates of hospitalization.

8 (b) "Vulnerable populations" includes, but is not limited to:

9 (i) Racial or ethnic minorities;

10 (ii) Low-income populations; and

11 (iii) Populations disproportionately impacted by environmental
12 harms.

13 (48) "Wetland" or "wetlands" means areas that are inundated or
14 saturated by surface water or groundwater at a frequency and duration
15 sufficient to support, and that under normal circumstances do
16 support, a prevalence of vegetation typically adapted for life in
17 saturated soil conditions. Wetlands generally include swamps,
18 marshes, bogs, and similar areas. Wetlands do not include those
19 artificial wetlands intentionally created from nonwetland sites,
20 including, but not limited to, irrigation and drainage ditches,
21 grass-lined swales, canals, detention facilities, wastewater
22 treatment facilities, farm ponds, and landscape amenities, or those
23 wetlands created after July 1, 1990, that were unintentionally
24 created as a result of the construction of a road, street, or
25 highway. Wetlands may include those artificial wetlands intentionally
26 created from nonwetland areas created to mitigate conversion of
27 wetlands.

28 (49) "Wildland urban interface" means the geographical area where
29 structures and other human development meets or intermingles with
30 wildland vegetative fuels.

31 **Sec. 11.** RCW 74.39A.009 and 2022 c 255 s 5 are each amended to
32 read as follows:

33 The definitions in this section apply throughout this chapter
34 unless the context clearly requires otherwise.

35 (1) "Adult family home" means a home licensed under chapter
36 70.128 RCW.

37 (2) "Adult residential care" means services provided by an
38 assisted living facility that is licensed under chapter 18.20 RCW and

1 that has a contract with the department under RCW 74.39A.020 to
2 provide personal care services.

3 (3) "Assisted living facility" means a facility licensed under
4 chapter 18.20 RCW.

5 (4) "Assisted living services" means services provided by an
6 assisted living facility that has a contract with the department
7 under RCW 74.39A.010 to provide personal care services, intermittent
8 nursing services, and medication administration services; and the
9 facility provides these services to residents who are living in
10 private apartment-like units.

11 (5) "Community residential service business" means a business
12 that:

13 (a) Is certified by the department of social and health services
14 to provide to individuals who have a developmental disability as
15 defined in RCW 71A.10.020(~~(5)~~):

16 (i) Group home services;

17 (ii) Group training home services;

18 (iii) Supported living services; or

19 (iv) Voluntary placement services provided in a licensed staff
20 residential facility for children;

21 (b) Has a contract with the developmental disabilities
22 administration to provide the services identified in (a) of this
23 subsection; and

24 (c) All of the business's long-term care workers are subject to
25 statutory or regulatory training requirements that are required to
26 provide the services identified in (a) of this subsection.

27 (6) "Consumer" or "client" means a person who is receiving or has
28 applied for services under this chapter, including a person who is
29 receiving services from an individual provider.

30 (7) "Consumer directed employer" is a private entity that
31 contracts with the department to be the legal employer of individual
32 providers for purposes of performing administrative functions. The
33 consumer directed employer is patterned after the agency with choice
34 model, recognized by the federal centers for medicare and medicaid
35 services for financial management in consumer directed programs. The
36 entity's responsibilities are described in RCW 74.39A.515 and
37 throughout this chapter and include: (a) Coordination with the
38 consumer, who is the individual provider's managing employer; (b)
39 withholding, filing, and paying income and employment taxes,
40 including workers' compensation premiums and unemployment taxes, for

1 individual providers; (c) verifying an individual provider's
2 qualifications; and (d) providing other administrative and
3 employment-related supports. The consumer directed employer is a
4 social service agency and its employees are mandated reporters as
5 defined in RCW 74.34.020.

6 (8) "Core competencies" means basic training topics, including
7 but not limited to, communication skills, worker self-care, problem
8 solving, maintaining dignity, consumer directed care, cultural
9 sensitivity, body mechanics, fall prevention, skin and body care,
10 long-term care worker roles and boundaries, supporting activities of
11 daily living, and food preparation and handling.

12 (9) "Cost-effective care" means care provided in a setting of an
13 individual's choice that is necessary to promote the most appropriate
14 level of physical, mental, and psychosocial well-being consistent
15 with client choice, in an environment that is appropriate to the care
16 and safety needs of the individual, and such care cannot be provided
17 at a lower cost in any other setting. But this in no way precludes an
18 individual from choosing a different residential setting to achieve
19 his or her desired quality of life.

20 (10) "Department" means the department of social and health
21 services.

22 (11) "Developmental disability" has the same meaning as defined
23 in RCW 71A.10.020.

24 (12) "Direct care worker" means a paid caregiver who provides
25 direct, hands-on personal care services to persons with disabilities
26 or the elderly requiring long-term care.

27 (13) "Enhanced adult residential care" means services provided by
28 an assisted living facility that is licensed under chapter 18.20 RCW
29 and that has a contract with the department under RCW 74.39A.010 to
30 provide personal care services, intermittent nursing services, and
31 medication administration services.

32 (14) "Facility" means an adult family home, an assisted living
33 facility, a nursing home, an enhanced services facility licensed
34 under chapter 70.97 RCW, or a facility certified to provide medicare
35 or medicaid services in nursing facilities or intermediate care
36 facilities for individuals with intellectual disabilities under 42
37 C.F.R. Part 483.

38 (15) "Home and community-based services" means services provided
39 in adult family homes, in-home services, and other services
40 administered or provided by contract by the department directly or

1 through contract with area agencies on aging or federally recognized
2 Indian tribes, or similar services provided by facilities and
3 agencies licensed or certified by the department.

4 (16) "Home care aide" means a long-term care worker who is
5 certified as a home care aide by the department of health under
6 chapter 18.88B RCW.

7 (17) "Individual provider" is defined according to RCW
8 74.39A.240.

9 (18) "Legal employer" means the consumer directed employer, which
10 along with the consumer, coemploys individual providers. The legal
11 employer is responsible for setting wages and benefits for individual
12 providers and must comply with applicable laws including, but not
13 limited to, workers compensation and unemployment insurance laws.

14 (19) "Long-term care" means care and supports delivered
15 indefinitely, intermittently, or over a sustained time to persons of
16 any age who are functionally disabled due to chronic mental or
17 physical illness, disease, chemical dependency, or a medical
18 condition that is permanent, not curable, or is long-lasting and
19 severely limits their mental or physical capacity for self-care. The
20 use of this definition is not intended to expand the scope of
21 services, care, or assistance provided by any individuals, groups,
22 residential care settings, or professions unless otherwise required
23 by law.

24 (20) (a) "Long-term care workers" include all persons who provide
25 paid, hands-on personal care services for the elderly or persons with
26 disabilities, including but not limited to individual providers of
27 home care services, direct care workers employed by home care
28 agencies or a consumer directed employer, providers of home care
29 services to persons with developmental disabilities under Title 71A
30 RCW, all direct care workers in state-licensed assisted living
31 facilities, enhanced services facilities, and adult family homes,
32 respite care providers, direct care workers employed by community
33 residential service businesses, and any other direct care worker
34 providing home or community-based services to the elderly or persons
35 with functional disabilities or developmental disabilities.

36 (b) "Long-term care workers" do not include: (i) Persons employed
37 by the following facilities or agencies: Nursing homes licensed under
38 chapter 18.51 RCW, hospitals or other acute care settings,
39 residential habilitation centers under chapter 71A.20 RCW, facilities
40 certified under 42 C.F.R., Part 483, hospice agencies subject to

1 chapter 70.127 RCW, adult day care centers, and adult day health care
2 centers; or (ii) persons who are not paid by the state or by a
3 private agency or facility licensed or certified by the state to
4 provide personal care services.

5 (21) "Managing employer" means a consumer who coemploys one or
6 more individual providers and whose responsibilities include (a)
7 choosing potential individual providers and referring them to the
8 consumer directed employer; (b) overseeing the day-to-day management
9 and scheduling of the individual provider's tasks consistent with the
10 plan of care; and (c) dismissing the individual provider when
11 desired.

12 (22) "Nursing home" or "nursing facility" means a facility
13 licensed under chapter 18.51 RCW or certified as a medicaid nursing
14 facility under 42 C.F.R. Part 483, or both.

15 (23) "Person who is functionally disabled" means a person who
16 because of a recognized chronic physical or mental condition or
17 disease, including chemical dependency or developmental disability,
18 is dependent upon others for direct care, support, supervision, or
19 monitoring to perform activities of daily living. "Activities of
20 daily living," in this context, means self-care abilities related to
21 personal care such as bathing, eating, using the toilet, dressing,
22 and transfer. Instrumental activities of daily living such as
23 cooking, shopping, house cleaning, doing laundry, working, and
24 managing personal finances may also be considered when assessing a
25 person's functional ability to perform activities in the home and the
26 community.

27 (24) "Personal care services" means physical or verbal assistance
28 with activities of daily living and instrumental activities of daily
29 living provided because of a person's functional disability.

30 (25) "Population specific competencies" means basic training
31 topics unique to the care needs of the population the long-term care
32 worker is serving, including but not limited to, mental health,
33 dementia, developmental disabilities, young adults with physical
34 disabilities, and older adults.

35 (26) "Qualified instructor" means a registered nurse or other
36 person with specific knowledge, training, and work experience in the
37 provision of direct, hands-on personal care and other assistance
38 services to the elderly or persons with disabilities requiring
39 long-term care.

1 (27) "Secretary" means the secretary of social and health
2 services.

3 (28) "Supportive housing services" means permanent supportive
4 services that are provided to clients on the premises of an assisted
5 living facility solely to maintain stable housing of a client and do
6 not duplicate "assisted living services" as defined in subsection (4)
7 of this section.

8 (29) "Training partnership" means a joint partnership or trust
9 that includes the office of the governor and the exclusive bargaining
10 representative of individual providers under RCW 74.39A.270 with the
11 capacity to provide training, peer mentoring, and workforce
12 development, or other services to individual providers.

13 (~~(29)~~) (30) "Tribally licensed assisted living facility" means
14 an assisted living facility licensed by a federally recognized Indian
15 tribe in which a facility provides services similar to services
16 provided by assisted living facilities licensed under chapter 18.20
17 RCW.

18 **Sec. 12.** RCW 74.39A.032 and 2018 c 225 s 3 are each amended to
19 read as follows:

20 (1) The department shall establish in rule a new medicaid payment
21 system for contracted assisted living, adult residential care, and
22 enhanced adult residential care. Beginning July 1, 2019, payments for
23 these contracts must be based on the new methodology which must be
24 phased-in to full implementation according to funding made available
25 by the legislature for this purpose. The new payment system must have
26 these components: Client care, operations, (~~and~~) room and board,
27 and supportive housing services.

28 (2) Client care is the labor component of the system and must
29 include variables to recognize the time and intensity of client care
30 and services, staff wages, and associated fringe benefits. The wage
31 variable in the client care component must be adjusted according to
32 service areas based on labor costs. For the purposes of this
33 subsection, client care does not include costs associated with
34 supportive housing services.

35 (a) The time variable is used to weight the client care payment
36 to client acuity and must be scaled according to the classification
37 levels utilized in the department's assessment tool. The initial
38 system shall establish a variable for time using the residential care

1 time study conducted in 2001 and the department's corresponding
2 estimate of the average staff hours per client by job position.

3 (b) The wage variable shall include recognition of staff
4 positions needed to perform the functions required by contract,
5 including nursing services. Data used to establish the wage variable
6 must be adjusted so that no baseline wage is below the state minimum
7 in effect at the time of implementation. The wage variable is a
8 blended wage based on the federal bureau of labor statistics wage
9 data and the distribution of time according to staff position.
10 Blended wages are established for each county and then counties are
11 arrayed from highest to lowest. Service areas are established and the
12 median blended wage in each service area becomes the wage variable
13 for all the assigned counties in that service area. The system must
14 have no less than two service areas, one of which shall be a high
15 labor cost service area and shall include counties at or above the
16 ninety-fifth percentile in the array of blended wages.

17 (c) The fringe benefit variable recognizes employee benefits and
18 payroll taxes. The factor to calculate the percentage of fringe
19 benefits shall be established using the statewide nursing facility
20 cost ratio of benefits and payroll taxes to in-house wages.

21 (3) (a) The operations component must recognize costs that are
22 allowable under federal medicaid rules for the federal matching
23 percentage. The operations component is calculated at ninety percent
24 or greater of the statewide median nursing facility costs associated
25 with the following:

- 26 ~~((a))~~ (i) Supplies;
- 27 ~~((b))~~ (ii) Nonlabor administrative expenses;
- 28 ~~((c))~~ (iii) Staff education and in-service training; and
- 29 ~~((d))~~ (iv) Operational overhead including licenses, insurance,
30 and business and ~~((occupational [occupation]))~~ occupation taxes.

31 (b) For the purposes of this subsection, the operations component
32 does not include costs associated with supportive housing services.

33 (4) The room and board component recognizes costs that do not
34 qualify for federal financial participation under medicaid rules by
35 compensating providers for the medicaid client's share of raw food
36 and shelter costs including expenses related to the physical plant
37 such as property taxes, property and liability insurance, debt
38 service, and major capital repairs. The room and board component is
39 subject to the department's and the Washington state health care
40 authority's rules related to client financial responsibility. If

1 client financial responsibility does not cover the full cost of the
2 room and board component, an assisted living facility may receive
3 supplemental payment for the remainder from other sources including,
4 but not limited to, nonmedicaid state, federal, and local sources.

5 (5) (a) The supportive housing services component recognizes costs
6 for services that are provided solely to maintain housing stability
7 of a client and supplement but do not duplicate "assisted living
8 services" as defined in RCW 74.39A.009. An assisted living facility
9 may receive payment for the supportive housing services component
10 from a specialty rate enhancement as described in (b) of this
11 subsection. If the specialty rate enhancement is not available or
12 does not cover the full cost of the supported housing services, an
13 assisted living facility may receive supplemental payment for the
14 remainder from other sources including, but not limited to,
15 nonmedicaid state, federal, and local sources.

16 (b) No later than June 30, 2025, the department shall work with
17 appropriate stakeholders to establish a specialty rate enhancement
18 for contracted assisted living, adult residential care, and enhanced
19 adult residential care providers to compensate providers for costs
20 associated with delivering supportive housing services. The specialty
21 rate enhancement calculation will consider the number of residents in
22 a facility requiring supportive housing services and the costs
23 associated with the delivery of supportive housing services. The
24 department shall adopt rules that determine the data source and
25 transmittal method for the underlying supportive housing service
26 utilization and cost data needed to calculate this rate.

27 (c) The total amount provided to contracted assisted living
28 providers for the specialty rate enhancement shall not exceed the
29 amount established in the omnibus appropriations act for this
30 specific purpose.

31 (6) Subsections (2) and (3) of this section establish the rate
32 for medicaid covered services. Subsection (4) of this section
33 establishes the rate for nonmedicaid covered services.

34 ~~((+6))~~ (7) The rates paid on July 1, 2019, shall be based on
35 data from the 2016 calendar year, except for the time variable under
36 subsection (2)(a) of this section. The client care and operations
37 components must be rebased in even-numbered years. Beginning with
38 rates paid on July 1, 2020, wages, benefits and taxes, and operations
39 costs shall be rebased using 2018 data.

1 (~~(7)~~) (8) Beginning July 1, 2020, the room and board component
2 shall be updated annually subject to the department's and the
3 Washington state health care authority's rules related to client
4 financial responsibility.

--- END ---