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**Advocates for the Long -Term Care of Washington's Elderly and Frail**

April 23, 2007

**MEMORANDUM**

TO: Washington Health Care Association Members  
FROM: Gary Weeks, Executive Director  
RE: 2007 Legislative Session Results

Yesterday, the 2007 legislative session adjourned in Olympia. We are very pleased that we were successful in achieving some critical legislative gains for boarding homes and nursing homes this session. A special thanks to all of you who spent significant time and energy communicating with your legislators about the importance of improvements to the skilled nursing facility and boarding home payment systems this session. The successes we have experienced would not have happened without your energies and support.

We will continue to be very focused on long term care public policy improvements through our participation in a number of legislative studies and work groups in the coming months, and we will continue to reach out to our membership through our committees and board to help inform this important work.

Here's an overview of the 2007 legislative budget and policy changes impacting our membership:

**Boarding Homes – 6% VRI FY08 ▪ 2% VRI FY09 ▪ 100 Dementia Program Slots ▪ Training Study**

For boarding homes, the budget was good news, in that the budget conferees retained the most favorable of the three earlier proposals from the Governor, House and Senate. The plan includes a vendor rate increase (VRI) of 6% for July 1, 2007, and 2% on July 1, 2008. The rate equates to approximately \$10 million in state general funds with a \$10 million federal match.

Under the conference budget plan, DSHS is also authorized to expand the specialized dementia care program by 100 additional slots in boarding homes. The expansion is treated as a cost-savings measure that delays entry into nursing homes. Adult family homes were also awarded 50 slots for homes specializing in dementia care. This is a new program for that sector of long term care.

An additional \$200,000 is provided for the Department contract for an evaluation of the training requirements for long term care workers in in-home, adult family home and boarding home settings. Under ESHB 2284, there are three additions to caregiver training requirements in boarding homes beginning in 2010.

*(continued on page 2)*

Those changes include these provisions:

- **Peer Mentoring:** Long-term care workers (includes BHs) shall be *offered* on-the-job training or peer mentorship for at least one hour per week in the first ninety days of work from a long-term care worker who has completed at least twelve hours of mentor training and is mentoring no more than ten other workers at any given time. The total number of hours for mentoring is 12. This requirement applies to long-term care workers who begin work on or after January 1, 2010.
- **Advanced Training:** The department shall offer, directly or through contract, training opportunities sufficient for a long-term care worker to accumulate sixty-five hours of training within a reasonable time period. ... The department may not require long-term care workers to obtain the training described in this section. This requirement to offer advanced training applies beginning January 1, 2010
- **Continuing Education:** Long-term care workers (includes BHs) shall complete twelve hours of continuing education training in advanced training topics each year. This requirement applies beginning on January 1, 2010. This is an increase of two hours over current standards.

**Nursing Homes – Statutory Rebase/Hold Harmless ▪ 3.2% VRI ▪ \$16 M Annual Capital Authorization ▪ Rates Study**

For nursing homes, the budget provides funding for the rebase to 2005 costs in direct care, therapy, support services and operations components. Funding is also included to hold harmless the majority of facilities that would lose under the rebase plan. Additionally a 3.2% vendor rate increase is provided for non-capital components beginning July 1, 2007. The budget equates to \$29.5 million in general fund state. The federal match brings the total appropriation to \$60.6 million for the biennium. From the total \$29.5 million in state general funds, \$8.7 million is held for second year of the biennium to increase nursing home payment rates in accordance with the recommendations of a new Task Force on Long Term Care Residential Payment Systems. The Task Force is described below.

The budget dial for FY08 is \$158.11; for FY09, the rate may not exceed \$164.18.

A separate policy bill, ESSB 6158, passed late last night, establishes biennial rebasing and provides a “hold harmless” clause resulting in only 7 facilities losing dollars due to rebasing. Only one of the seven is a WHCA members; that facility is projected to lose approximately \$8,700 over the biennium.

**Joint Legislative Task Force On The Long Term Care Residential Facility Payment System:** A work group is formed to review and develop recommendations related to payment methodologies for the care of nursing home, boarding home and adult family home residents. These are the principles of the task force work:

- A continuum of residential care settings should be available to Medicaid-eligible adults to honor consumer choice
- Payment methodologies for SNFs, BHs, & AFHs should be based on resident acuity, with rates that recognize the impact of different state and federal regulatory requirements upon costs, but also addressing current disparities in payments to facilities serving residents with similar nursing or personal care needs

(continued on page 3)

- Payment methodologies should be designed to support retention of qualified direct care staff through training, wages and benefits offered to direct care staff, with special consideration given to nursing homes, boarding homes and adult family homes caring for a disproportionate number of Medicaid-eligible residents relative to their peer facilities.
- Performance measurements related to critical issues such as staff retention and resident outcomes should be developed, with payment linked to facility performance on the measures
- Payment methodologies should be simplified with greater ease of administration for the department and providers, and greater predictability and stability in payments.

The task force must complete its review and submit findings to the Legislature by December 31, 2007, when the charge expires.

**Certificates of Capital Authorization:** The conference budget maintains the capital authorization level at \$16 million of increased asset value completed and ready for occupancy in FY08, FY09 and FY10. While our legislation, SB 5905, relating to Certificates of Capital Authorization passed the Senate, we were not able to get it to the House floor for a vote. We will ask the House to approve the legislation in the 2008 legislative session.

**Funds to the Department to review the payment system:** A total of \$250,000 is provided for DSHS to contract with an outside entity to review the current Medicaid payment methodology for nursing homes. The entity will make recommendations to the Governor and Legislature regarding revision, restructuring and/or replacement of the existing system no later than October 1, 2007.

**Workforce Payments & Impact on Turnover:** Additionally, the Department is required to determine how geographic differences in community residential provider payment affect provider and workforce turnover; to examine alternative community residential provider payment systems that account for differences in direct care labor costs in different areas of the state, including alternative peer groupings and submit a legislative report regarding findings by June 30, 2008.

**State-Funded Care for Immigrants in Nursing Homes:** The state will continue to provide state funds for skilled nursing facility care for low income adults ineligible for long term care due to immigration status.

**Personal Needs Allowance:** Funding is provided to increase the personal needs allowance for residents in nursing homes and other residential care settings by 3.3% per year. Residents receiving state supplemental payments to SSI in lieu of a personal needs allowance will receive a commensurate increase in their SSP benefit.

**Resident Protection Program:** The Department is provided with additional funding to implement the Resident Protection Program in boarding homes and adult family homes. The program, already existing in nursing homes, is intended to provide investigators who will manage the investigation of allegations of client mistreatment. While the Department already has authority to conduct investigations, funding had not previously been available for this function.

**Ventilator Program Transfer:** Funding for the ventilator weaning program is transferred from DSHS Medical Assistance to the Long Term Care Program. The transfer should have no impact on current system operation.

Please don't hesitate to let us know if you have questions or need additional information by calling 1-800-562-6170.