

**DEPARTMENT OF  
SOCIAL AND HEALTH SERVICES  
Aging and Disability Services Administration (ADSA)  
Management Services Division (MSD)**

**Notice of Pending Legislation**

The Department of Social and Health Services (DSHS) provides the following description of two bills now being considered by the Washington State Legislature. If enacted, the bills would impact the Nursing Facility Medicaid Payment System, chapter 74.46 RCW. During session, the Legislature substantially can change these bills and there is no guarantee that they will pass the bills. To read the full text of the bills go to <http://apps.leg.wa.gov/billinfo/>.

Please comment on one or both of the bills, by doing any, some or all of the following:

- Contact your Legislators. To identify your Legislators and/or how to contact them go to [www.leg.wa.gov](http://www.leg.wa.gov);
- Call the legislative hot line at 1-800-562-6000 to leave a message on any issue;
- Comment to the legislative committees considering the bills and/or attend their hearings on the bills. To identify the committees, the hearing schedules, and/or to sign up to receive e-mail notices about the hearing schedules go to [www.leg.wa.gov](http://www.leg.wa.gov); and/or
- Send comments to Kathy Marshall, Director, Management Services Division, Aging and Disability Services Administration, DSHS at [MarshKA@DSHS.wa.gov](mailto:MarshKA@DSHS.wa.gov).

**House Bill 3021 (HB 3021) companion Senate Bill 6751 (SB 6751)**

The bill would impose a quality assurance fee (QAF) on licensed nursing facilities. The QAF would be a per bed fee imposed on nursing facility beds occupied by Medicaid and private-pay residents, but not Medicare residents. Money generated by the QAF would be put into a dedicated fund within the state treasury that can be used only to pay Medicaid nursing facility payment rates.

The Department of Social and Health Services would seek a waiver from the federal Centers for Medicare and Medicaid Services (CMS) for provisions that would exempt certain types of facilities from payment of the QAF and that would allow other types of facilities to pay the QAF at a lower rate.

OFFICE OF THE CODE REVISER  
STATE OF WASHINGTON  
FILED

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TIME: 12:41 PM

**WSR 10-04-088**

Upon passage by the Legislature and approval of the Governor, DSHS would compute the exact amount of the QAF per nursing facility and collect it from the nursing facilities. Also, DSHS would increase nursing facility rates to reflect the amount of QAF collected. The increased Medicaid spending would result in increased federal matching funds. Based on the language of the bill as of February 2, 2010, DSHS estimates that, if the bill were enacted, nursing facility Medicaid payment rates would increase by approximately four percent.

The QAF would expire June 30, 2013, unless the Legislature passes an extension that the Governor approves.

### **Senate Bill 6194 (SB 6194) and companion House Bill 2898 (HB 2898)**

The legislation would shorten and update the current statutory sections of chapter 74.46 RCW, which DSHS uses to calculate nursing facility Medicaid payment rates.

Specifically, the bill would:

- Add one new section specifying eleven broad principles – all consistent with the existing payment system – to guide in the implementation of a payment methodology in rule. It also includes a separate grant of rulemaking authority to DSHS;
- Amend various sections – including the sections dealing with rate setting, commonly referred to as Part E. The majority of the Part E sections are retained but amended to reflect subsequent legislative changes and to remove unnecessary material and references;
- Repeal fifty-two current sections; and
- Leave in place the current section, RCW 74.46.421, addressing the budget dial.

Enactment of this bill will not change the annual aggregate expenditures for Medicaid nursing facility payment rates.