

## Summary of Wage Equity Funding

The Legislature has allocated funding for State Fiscal Year 2023 (July 1, 2022 through June 30, 2023) to target wage increases for certain job categories (ESSB 5693 Section 204(53), below). The intent is to provide Medicaid funding to raise wages for some of the lowest paid jobs in nursing facilities. Please be aware that the regular Direct Care settlement process will continue, which will review the entire Direct Care component including the portion of this funding attributable to the Direct Care component. A separate reporting process will be established to capture the required wage data related to the Wage Equity funding for both the Direct Care and Indirect Care components. Facilities will need to complete this report demonstrating how they utilized their wage equity funding to increase wages for the specified targeted job classifications. Any funding that cannot be positively shown to be used towards wage increases will need to be returned to the Department. The Department will make efforts to ensure that funds identified through the Direct Care settlement are not duplicated with the Wage Equity funds reconciliation.

Funding for facilities will be calculated by adjusting the medians in the Direct Care (DC) and Indirect Care (IDC) components. For DC, the rate will be paid at 111% of the median, while IDC will be paid at 92% of the median. Additionally, the increased funding from the IDC component can be shifted to pay higher wages for DC job categories. DC funds **cannot** be shifted to IDC job categories. The Department will identify the portion of the July 1, 2022 rate that are tied to the Wage Equity funding to allow facilities to more easily track the funding they are receiving. As details are finalized for this process, we will continue to communicate to ensure transparency.

The Department is currently developing a template and submission criteria for the data necessary to implement and monitor this funding. Reporting of how the funding was spent will be due to the Department in August 2023. The template will require data on the following:

- Minimum, average, and maximum hourly wage as of December 2021
- Minimum, average, and maximum hourly wage for July 2022 – June 2023
- Facilities will report total ( hours from July 1, 2022 – June 30, 2023 Total Hours (Including Overtime, non-Agency) for specific Job Categories
- Direct Care:
  - CNA
  - Dietary Workers
  - Laundry Workers
  - Medical Assistants– *non-managerial*
  - Nursing Assistants Registered– *non-managerial*
  - Cooks– *non-managerial*
  - Feeding Assistants– *non-managerial*
  - Activity Assistants– *non-managerial*
  - Med Tech– *non-managerial*
  - Bath Aide– *non-managerial*
  - Medical Records Assistants - *non-managerial*
  - Rehab/Restorative Aide– *non-managerial*
  - Social Worker/Social Services – *non-managerial*
- Indirect Care:
  - Central Supply Workers

- Housekeeping Workers
- Reception– *non-managerial*
- Staffing Coordinator– *non-managerial*
- Building Maintenance staff – *non-managerial*
- Transportation– *non-managerial*
- Facilities/Maintenance– *non-managerial*
- Facilities may report other staff that they believe fall under the intent of the proviso language. Facilities will need to provide a description of the job requirements and why they believe the position is eligible. Any staff hours or wages submitted to the Department that do not meet the above criteria will be rejected and may lead to funding being due back to the Department.

Wages includes hourly wages increases, which can take the form of wage scale increases, targeted hourly wage increases, and/or shift differentials. Agency worker hours and wages are **not** eligible and shall not be reported on. The template will build in basic Payroll Tax assumptions.

Facilities that undergo a change of ownership from December 2021 through July 2023 are responsible for reporting the wages and hours for the entire period required, including wages and hours from the previous owner. The Department does not have any wage data that can be used to determine December 2021 wages and will not process partial documentation for each of the owners.

1 fiscal year 2023, and \$17,378,000 of the general fund—federal  
2 appropriation are provided solely to increase funding of the assisted  
3 living medicaid methodology established in RCW 74.39A.032 and of the  
4 specialized dementia care rate methodology to 68 percent of full  
5 methodology funding, effective July 1, 2022.

6 (a) Of the amounts provided in this subsection, \$23,000 of the  
7 general fund—state appropriation for fiscal year 2022, \$39,000 of the  
8 general fund—state appropriation for fiscal year 2023, and \$62,000 of  
9 the general fund—federal appropriation are provided solely for a one-  
10 time project staff position at the department to develop and submit a  
11 report to the governor and appropriate legislative committees no  
12 later than December 30, 2022. The report must include a review and  
13 summary of discharge regulations and notification requirements for  
14 assisted living providers and include recommendations related to  
15 disclosure of providers' terms and conditions for medicaid  
16 acceptance.

17 (b) Following the submission of the report in (a) of this  
18 subsection and through the end of the 2021-2023 fiscal biennium, the  
19 department shall regularly review and report on medicaid resident  
20 utilization of and access to assisted living facilities.

21 (51) \$12,000,000 of the general fund—state appropriation for  
22 fiscal year 2023 and \$12,000,000 of the general fund—federal  
23 appropriation are provided solely to increase the rate paid for area  
24 agency on aging case management services by 23 percent.

25 (52) \$68,000 of the general fund—state appropriation for fiscal  
26 year 2023 and \$67,000 of the general fund—federal appropriation are  
27 provided solely for implementation of Senate Bill No. 5866 (medicaid  
28 LTSS/tribes). If the bill is not enacted by June 30, 2022, the  
29 amounts provided in this subsection shall lapse.

30 (53) \$24,138,000 of the general fund—state appropriation for  
31 fiscal year 2023 and \$24,138,000 of the general fund—federal  
32 appropriation are provided solely to increase skilled nursing  
33 facility medicaid rates in order to increase low-wage direct and  
34 indirect care worker wages by up to four dollars per hour effective  
35 July 1, 2022. Funding provided in this subsection is provided for  
36 purposes of wage equity.

37 (a) Of the amounts provided in this subsection, \$21,910,000 of  
38 the general fund—state appropriation for fiscal year 2023 and  
39 \$21,910,000 of the general fund—federal appropriation are provided

1 solely to increase the fixed rate paid for direct care to no less  
2 than 111 percent of statewide case mix neutral median costs to  
3 increase low-wage direct care worker wages by up to four dollars per  
4 hour effective July 1, 2022. For the purpose of this subsection,  
5 "low-wage direct care workers" means certified nursing assistants,  
6 dietary workers, laundry workers, and other workers who provide  
7 direct care to patients and who have no managerial roles. The  
8 department shall determine each facility-specific wage equity funding  
9 amount in the direct care rate component by comparing the rate at 105  
10 percent of the direct care median to the rate at 111 percent of the  
11 direct care median, and by multiplying the rate difference by the  
12 actual paid medicaid days over the July 1, 2022, through June 30,  
13 2023 period.

14 (b) Of the amounts provided in this subsection, \$2,229,000 of the  
15 general fund—state appropriation for fiscal year 2023 and \$2,228,000  
16 of the general fund—federal appropriation are provided solely to  
17 increase the fixed rate paid for indirect care to no less than 92  
18 percent of statewide median costs to increase low-wage indirect care  
19 worker wages by up to four dollars per hour effective July 1, 2022.  
20 For the purpose of this subsection, "low-wage indirect care workers"  
21 means central supply workers and housekeeping workers. The department  
22 shall determine each facility-specific wage equity funding amount for  
23 the indirect care rate component by comparing the rate at 90 percent  
24 of the indirect care median to the rate at 92 percent of the indirect  
25 care median, and by multiplying the rate difference by the actual  
26 paid medicaid days over the July 1, 2022, through June 30, 2023  
27 period.

28 (c) Working with stakeholders, the department shall develop and  
29 adopt rules to establish a verification process for each skilled  
30 nursing facility provider to demonstrate how the provider has used  
31 its wage equity funding to increase wages for low-wage workers by up  
32 to four dollars per hour, and for the department to recover any  
33 funding difference between each provider's wage equity funding and  
34 the amount of wage equity funding that the provider utilizes to  
35 increase low-wage worker wages. The verification process must use  
36 wages paid as of December 31, 2021, as the base wage to compare  
37 providers' wage spending in the designated job categories to the  
38 facility-specific amounts of wage equity funding provided in (a) and  
39 (b) of this subsection, excluding any amounts adjusted by settlement.  
40 The verification and recovery process in this subsection is a

1 distinct and separate process from the settlement process described  
2 in RCW 74.46.022.

3 (d) It is the intent of the legislature that wage equity funding  
4 provided in this subsection be carried forward into the department's  
5 appropriation for the 2023-2025 fiscal biennium.

6 (54) \$350,000 of the general fund—state appropriation for fiscal  
7 year 2023 is provided solely for a study of the feasibility of  
8 placing individuals under the jurisdiction of the department of  
9 corrections in nursing home facilities licensed or to be licensed by  
10 the department to better meet the client's care needs. By October 1,  
11 2022, in collaboration with the department of corrections and the  
12 health care authority, the department must submit a preliminary  
13 report to the governor and the relevant fiscal and policy committees  
14 of the legislature. At a minimum, the preliminary report must review  
15 the medical, behavioral health, and long-term care needs of the  
16 individuals and assess whether the state could obtain and be eligible  
17 for federal funding for providing health care and long-term care  
18 services for individuals under the jurisdiction of the department of  
19 corrections placed in nursing home facilities. By June 30, 2023, the  
20 department, in collaboration with the department of corrections, must  
21 submit a final report to the governor and the relevant fiscal and  
22 policy committees of the legislature. The final report shall:

23 (a) Assess the relevant characteristics and needs of the  
24 potential patient population;

25 (b) Assess the feasibility, daily operating costs, staffing  
26 needs, and other relevant factors of potential locations or  
27 contractors, including the Maple Lane corrections center, for  
28 placement of long-term care individuals under the jurisdiction of the  
29 department of corrections for a potential nursing home facility to be  
30 licensed by the department;

31 (c) A cost-benefit analysis of placing individuals under the  
32 jurisdiction of department of corrections clients in potential  
33 facilities identified in subsection (b) of this subsection, including  
34 the possibility or absence of federal funding for operations. The  
35 department of corrections must provide daily operating costs of  
36 prisons where these individuals may be coming from, the fiscal year  
37 2021 daily costs per incarcerated individual assigned to the sage  
38 living unit, and the costs associated with electronic home monitoring  
39 costs per individual. This analysis shall take into account both  
40 state-run and privately contracted options;