

**Health & Human Services  
Appropriations Committee**

**HB 2954**

**Brief Description:** Concerning license fees for nursing homes, boarding homes, and adult family homes.

**Sponsors:** Representative Cody; by request of Department of Social and Health Services.

**Brief Summary of Bill**

- Requires the Department of Social and Health Services (DSHS) to adopt rules to establish the per bed licensing fees for nursing homes and boarding homes.
- Establishes the per home licensing fee for adult family home in the biennial operation budget for fiscal years 2011 and 2012.
- Requires the DSHS, beginning July 1, 2012, to adopt rules to establish the per home licensing fees for adult family homes.
- Authorizes the DSHS to annually adjust licensing fees once they are set in rule by one of two inflationary factors recognized by the Washington State Economic and Revenue Forecast Council.

**Hearing Date:** 2/4/10

**Staff:** Carma Matti-Jackson (786-7140).

**Background:**

Clients receiving long term care services, under Medicaid, are served in their own homes, in community residential settings and in nursing homes.

Currently in Washington State there are approximately:

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- Two hundred and fifty licensed skilled nursing facilities that provide services for approximately 10,900 Medicaid eligible clients. The average number of beds per facility is 91 and there are a total 21,300 beds in Washington.
- Five hundred and fifty licensed boarding homes that provide services for approximately 6,700 Medicaid eligible clients. About 2 percent of these are clients with developmental disabilities. The average number of beds per facility is 51 and there are a total of 28,200 beds in Washington.
- Two thousand eight hundred licensed adult family homes that provide services for approximately 6,400 Medicaid eligible clients. About 27 percent of these are clients with developmental disabilities. The average home has six beds.

The Department of Social and Health Services (DSHS) administers the licensure programs for each of the long term care settings. The way the license fees are set is directed in statute and depends on facility type. The DSHS is directed to set the nursing home license fee in an amount adequate to fully recover the costs of the licensure. The boarding home fee is to be based on costs to administer the program, and the adult family home license fee is set in statute. A separate chapter requires the DSHS to set fees that are based on, but do not exceed, the cost to the DSHS for licensure and authorizes the DSHS to include costs of necessary inspection.

Licensing functions include processing applications for new providers, performing initial license inspections, regular and periodic inspections, follow-up inspections when issues are identified, complaint investigations, follow-up for resolutions, and enforcement if resolution is not met. In some instances, formal dispute resolutions or hearings may be included. New licenses are required upon change of ownership and the facility must undergo an initial licensing inspection and in some settings a 90 day follow-up inspection. Regular inspections are performed an average of every 12 months for nursing homes and on an average of 15 months for adult family homes. In fiscal year 2009 the following inspections occurred:

- nursing homes: 244 full inspections and 237 follow-up inspections to include complaint investigations
- boarding homes: 441 full inspections and 743 follow-up inspections to include complaint investigations
- adult family homes: 2,100 full inspections and 2,000 follow-up inspections to include complaint investigations.

### **Summary of Bill:**

The DSHS is required to establish the per bed licensing fees for nursing homes and boarding homes in rule. Licenses will only be issued to the person that applied for the license. The annual fee is to be based on the costs of licensure and will be increased annually.

For adult family homes, the license fees for fiscal year 2011 and fiscal year 2012 will be established in the biennial budget act. Beginning July 1, 2012, the DSHS will be required to set the per home licensing fee in rule.

On July 1 of each year after a license fee is set in rule, it will be adjusted by an inflationary factor as determined by the lower of either the consumer price index for Seattle-Tacoma-Bremerton or

by chain-weight implicit price deflator, both published by the Washington State Economic and Revenue Forecast Council.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.