

# SENATE BILL REPORT

## ESHB 2746

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As of March 3, 2014

**Title:** An act relating to refinancing of medicaid personal care services for individuals with developmental disabilities and individuals with long-term care needs through the community first choice option.

**Brief Description:** Refinancing of medicaid personal care services for individuals with developmental disabilities and individuals with long-term care needs through the community first choice option.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Green, Morrell, Tharinger, Fitzgibbon, Senn, Tarleton, Robinson, Kagi, Roberts, Ortiz-Self, Jinkins, Walsh, Habib, Bergquist, Dahlquist, Moscoso, Goodman, Riccelli, Pollet, Ormsby and Freeman).

**Brief History:** Passed House: 2/14/14, 97-0.

**Committee Activity:** Ways & Means: 3/13/14.

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Carma Matti-Jackson (786-7454)

**Background:** The Department of Social and Health Services (DSHS) provides personal care services to approximately 60,000 Medicaid-eligible clients in residential settings such as adult family homes or assisted living facilities, as well as in the client's own home.

Currently clients may access personal care through an optional state plan service, called Medicaid Personal Care (MPC), or through Medicaid waiver programs that provide personal care as a component of home and community-based services to individuals who would otherwise require institutionalization. Federal Medicaid matching funds cover 50 percent of the cost for personal care services under MPC, or a Medicaid waiver.

The Community First Choice Option (CFCO) is a new optional entitlement program offered under the federal Affordable Care Act. Services offered under CFCO include (1) traditional personal care services such as assistance with toileting, bathing, dressing, meal preparation, and other Activities of Daily Living (ADLs) and Instrumental Activities of Daily Living (IADLs); (2) acquisition, maintenance, and enhancement of skills to complete ADLs, IADLs, and health-related tasks; (3) back-up systems that ensure the continuity of care and support;

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and (4) voluntary training provided to clients on how to select, manage, and dismiss attendant care providers. Optional services such as transition assistance and employer training may be included under CFCO at the discretion of each state. Under CFCO, the Federal government would provide Medicaid matching funds at 56 percent of the cost for services including personal care services.

CFCO must be available statewide and the state may not cap enrollment or target clients based on age, severity of disability, or any other criteria. Services must be offered in the most integrated setting possible, given the individual needs of a client. Also, during the first year of operation, states must maintain or exceed prior year Medicaid expenditures for optional services provided to elderly individuals and people with disabilities.

The state must engage stakeholders and receive input on the benefit design for CFCO through the implementation of a council that consists primarily of consumers – elderly, people with disabilities, or their representatives. After implementation, states must incorporate consumer feedback, monitor health measures, and submit required reports to the U.S. Department of Health and Human Services.

**Summary of Bill:** DSHS must refinance Medicaid personal care through CFCO. Implementation of CFCO must occur as soon as July 1, 2015, but no later than June 30, 2016. DSHS must design CFCO in such a manner that all federal requirements are met, and average per-capita expenditures do not increase by more than 3 percent during the first year after implementation. Savings from refinancing existing services may be used to offset the cost of implementation. Any remaining savings must be reserved for potential additional investment in home and community-based services for individuals with developmental disabilities and individuals with long-term care needs.

Recommendations on the use of savings for home and community-based services must be provided in a report to the Legislature by the Joint Legislative Executive Committee on Aging and Disability (Committee) and the CFCO stakeholder council. At a minimum, the Committee and the CFCO stakeholder council must explore the cost and benefit of rate enhancements for providers of long-term services and supports, restoration of hours for in-home clients, additional investment in the family caregiver support program, and additional investment in the Individual and Family Services Program or other Medicaid services that support individuals with developmental disabilities.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** None.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.