

1 **SHB 1569 - H AMD 124 FAILED 3-14-91**
2 By Representatives Moyer and Paris

3 On page 1 of the amendment by the Committee on Revenue strike
4 all material after line 6 and insert:

5 NEW SECTION. **Sec. 1.** PURPOSE AND INTENT. It is the purpose and
6 intent of the legislature, through this chapter, to organize the
7 foundation for providing community-based long-term care and support
8 services through an integrated, comprehensive system that promotes
9 human dignity and recognizes the individuality of all functionally
10 disabled persons. The legislative goal is to ultimately make this
11 system available, accessible, and responsive to all citizens based upon
12 an assessment of their functional disabilities. The legislature
13 recognizes that families, volunteers, and community organizations are
14 absolutely essential for delivery of effective and efficient community-
15 based long-term care and support services and it is a purpose of this
16 chapter to support and strengthen that private and public service
17 infrastructure. It is further a goal of this legislature to ultimately
18 provide secured benefit assurance in perpetuity without requiring
19 family or program beneficiary impoverishment for service eligibility.

1 NEW SECTION. **Sec. 2.** DEFINITIONS. Unless the context clearly
2 requires otherwise, the definitions in this section apply throughout
3 this chapter.

4 (1) "Administrative entity" means an agency of state, regional, or
5 local government or a private nonprofit organization that has entered
6 into an agreement with the board to administer any part of the program.

7 (2) "Board" means the community-based long-term care secured
8 benefit program board.

9 (3) "Committee" means the community-based long-term care secured
10 benefit program policy advisory committee established pursuant to this
11 act.

12 (4) "Community-based long-term care and support services" means
13 services and support provided to program beneficiaries in accordance
14 with this act.

15 (5) "Federal poverty level" means the annual poverty guidelines
16 determined annually by the United States department of health and human
17 services, or its successor agency.

18 (6) "Functionally disabled person" means a person who, because of
19 a recognized chronic physical or mental condition or disease: (a)
20 Needs care, support, supervision, or monitoring to perform activities
21 of daily living or instrumental activities of daily living; or (b)
22 needs support to ameliorate or compensate for the effect of the chronic
23 physical mental condition or disease.

24 (7) "Habilitation service" means services to assist persons in
25 acquiring and maintaining life skills and to raise, maintain, or
26 support their levels of physical, mental, social, and vocational
27 functioning. "Habilitation services" shall not include major
28 rehabilitative services to assist persons in regaining previously
29 existing bodily functions and life skills.

1 (8) "Program" means the community-based long-term care secured
2 benefit program established by this chapter.

3 (9) "Program beneficiary" means a person who has been determined to
4 be functionally disabled and eligible to receive services through the
5 program.

6 PART I

7 ADMINISTRATION OF THE COMMUNITY-BASED
8 LONG-TERM CARE SECURED BENEFIT PROGRAM

9 NEW SECTION. **Sec. 3.** INTENT REGARDING PROGRAM ADMINISTRATION. It
10 is the intent of the legislature that administration of the program
11 includes active participation by program beneficiaries, their families,
12 and communities in public discussions, service planning, decision
13 making, and service delivery. An independent board, representing
14 payors and functionally disabled persons, shall administer this chapter
15 within statutory guidelines established by the legislature.
16 Administrative entities shall encourage creativity, innovation, and
17 community involvement in the development and implementation of
18 services. Information systems shall be developed to assess program
19 outcomes and to assure state-wide adherence to baseline levels of
20 service availability and quality. A simplified, independent
21 inspection, monitoring and correction function shall be established
22 within the system.

23 NEW SECTION. **Sec. 4.** ESTABLISHMENT AND POWERS OF BOARD. (1) The
24 community-based long-term care secured benefit program board is hereby
25 established. The board shall be composed of five members appointed by
26 the governor. At least one member of the board shall represent

1 functionally disabled persons. The chairperson of the board shall be
2 chosen by the vote of a majority of the members of the board.

3 (2) The governor shall appoint the initial members of the board to
4 staggered terms not to exceed eight years, with three members of the
5 board serving at least four years. Members appointed thereafter shall
6 serve four-year terms, and may serve for up to two terms. Members of
7 the board shall be compensated in accordance with RCW 43.03.250 and
8 shall be reimbursed for their travel expenses while on official
9 business in accordance with RCW 43.03.050 and 43.03.060. Meetings of
10 the board shall be at the call of the chairperson.

11 (3) The board shall have the following powers and duties:

12 (a) To plan, design, and administer two pilot programs, no more
13 than one of which may be located west of the Cascade divide, to test
14 regionally operated systems of community-based long-term care and
15 support services that provides a coordinated system of care and support
16 for functionally disabled persons through regional administrative
17 entities, using family, volunteer, and community resources to the
18 greatest extent possible, in which functionally disabled persons and
19 resources are directed toward the least restrictive and least costly
20 service appropriate for each such person;

21 (b) To manage the monies appropriated by this act for the purpose
22 of supporting the two pilot programs;

23 (c) To administer program benefits, and to determine the scope of
24 community-based long-term care and support services covered by the
25 program in accordance with this act;

26 (i) In determining the scope of services, the board shall maintain
27 the financial integrity of this act;

28 (ii) The board shall define the scope of transportation services
29 that can be funded by the program in accordance with this act. In

1 defining the scope of transportation services, the board shall consider
2 the appropriate role of paratransit systems;

3 (d) To develop uniform functional disability assessments that
4 accurately measure the abilities and disabilities of functionally
5 disabled persons of all ages, and determine the entity or entities
6 responsible for conducting such assessments;

7 (e) To develop performance standards, to the extent not
8 specifically established by this chapter, based upon the
9 recommendations of the long-term care commission and its technical
10 advisory committees, with input from functionally disabled persons,
11 their families, long-term care service providers, and administrators.
12 Performance standards shall emphasize outcomes, rather than the manner
13 in which services are administered. Performance standards shall, to the
14 greatest extent practicable, promote leveraging of family and community
15 resources available to each program beneficiary and shall include
16 consideration of the extent to which each program beneficiary's plan of
17 care builds on the support available to that individual from their
18 family and the community;

19 (f) To administer and adjust the sliding fee scale as necessary, in
20 accordance with this act;

21 (g) To engage in quality assurance activities in accordance with
22 this act;

23 (h) To develop payment and cost control mechanisms for community-
24 based long-term care and support services;

25 (i) To design and administer a long-term care information system in
26 accordance with this act;

27 (j) To develop mechanisms to assure that the program is coordinated
28 with the acute health care services system and the vocational
29 rehabilitation services system;

1 (k) To coordinate with other relevant entities to plan for
2 development of an appropriately trained long-term care work force;

3 (l) To contract with and monitor administrative model projects in
4 accordance with this act;

5 (m) To delegate its authority, when deemed appropriate by the
6 board, to other public or private entities; and

7 (n) To adopt rules pursuant to chapter 34.05 RCW necessary to carry
8 out the responsibilities established in this chapter.

9 (4) The board shall employ staff as necessary to fulfill its
10 responsibilities and duties. The program director and up to five other
11 employees are exempt from state civil service law, chapter 41.06 RCW.
12 Remaining staff are subject to the state civil service law, chapter
13 41.06 RCW. In addition, the board may contract with third parties for
14 services necessary to carry out its responsibilities and duties to the
15 extent not prohibited by RCW 41.06.380.

16 NEW SECTION. **Sec. 5.** ESTABLISHMENT OF POLICY ADVISORY COMMITTEE.

17 (1) The community-based long-term care secured benefit program policy
18 advisory committee is hereby established. The committee shall be
19 composed of thirteen members appointed by the board. Committee
20 membership shall be geographically balanced, ethnically and culturally
21 diverse, and representative of persons with differing types of
22 functional disabilities. At least half of the members shall be
23 functionally disabled persons or their advocates, who shall not be paid
24 long-term care services providers.

25 (2) The committee shall:

26 (a) Advise the board regarding planning and administration of the
27 program; and

1 (b) Review and comment upon state policies, programs, and actions
2 that affect program beneficiaries, with the intent of assuring maximum
3 coordination with long-term care and support services, and maximum
4 responsiveness to the needs of program beneficiaries.

5 (3) The committee shall meet at least quarterly. Committee members
6 shall be reimbursed for travel expenses pursuant to RCW 43.03.050 and
7 43.03.060.

8 NEW SECTION. **Sec. 6.** QUALITY ASSURANCE. (1) The board is
9 responsible for quality assurance activities relating to licensing,
10 monitoring, and enforcement of performance standards applicable to
11 administrative entities. The department of health shall be responsible
12 for licensing and monitoring community-based long-term care and support
13 service providers. In its quality assurance activities, the board
14 shall emphasize review of service outcomes, rather than the manner in
15 which services are administered.

16 (2) Quality assurance activities shall include but not be limited
17 to:

18 (a) Establishment of licensure and certification requirements for
19 and monitoring of administrative entities. The department of health
20 shall administer existing licensing and monitoring programs for
21 community-based long-term care and support service providers, and their
22 employees. The board may request that licensing standards be developed
23 by the legislature or the department of health for community-based
24 long-term care and support services that are not regulated under
25 existing statutes or rules.

26 (b) Monitoring and investigation of performance by administrative
27 entities and community-based long-term care and support service
28 providers, and their employees, including the establishment of

1 mechanisms to receive and respond to reports of abuse, neglect,
2 malpractice, misfeasance, and contractual violations by such entities
3 and providers;

4 (c) Imposition of sanctions against administrative entities for
5 abuse, neglect, malpractice, misfeasance, and contractual violations,
6 which shall include withholding or requiring the withholding of
7 payment, terminating or requiring the termination of contracts,
8 injunctive remedies, civil penalties, receivership, and referral for
9 prosecution; and

10 (d) Retrospective monitoring of data gathered through the
11 information system established by this act.

12 (3) The board shall provide for an independent office of the
13 inspector general to assist in carrying out the quality assurance
14 powers and duties established in this section, which office shall
15 report directly to the board and which shall annually report to the
16 legislature on the quality of community-based long-term care and
17 support services provided to functionally disabled persons.

18 (4) By petition to the board, a program beneficiary may initiate,
19 or intervene in, any proceeding in which the board is taking an
20 enforcement action against an administrative entity or community-based
21 long-term care provider serving the program beneficiary.

22 (5) Contracts with administrative entities shall specify the
23 quality assurance activities that will be undertaken by the
24 administrative entity. Such activities shall include monitoring of
25 contracts between administrative entities and community-based long-term
26 care and support services providers, establishment of program
27 beneficiary complaint resolution mechanisms, and other activities
28 deemed appropriate by the board.

PART II

COMMUNITY-BASED LONG-TERM CARE SERVICES

NEW SECTION. **Sec. 7.** INTENT REGARDING SERVICES. It is the intent of this act relating to community-based long-term care and support services that such services be defined as noninstitutional services that are primarily habilitative which would allow program beneficiaries to live and otherwise function in their community as independently as practicable. Although these services do not include nursing homes, state institutions, or health care facilities, it is necessary that these functions be coordinated with the community-based long-term care system. Technical, demographic, and cultural changes make it impossible to prescribe a complete list of services or define by program the array of services that could meet the intent and purposes of this chapter. It is the intent of this section to include those services commonly considered "community-based," and to allow flexibility in defining new or additional services that will contribute to the purpose and intent of this chapter. It is recognized that uniform systems of assessment and case management are essential for monitoring equity and quality in service delivery, measuring outcomes, and assuring the most effective use of public and private expenditures. It is recognized that availability of services does not guarantee their use, and that aggressive targeting and outreach, and culturally and linguistically accessible and appropriate services, are necessary to assure that services are available to the most dispossessed in our communities.

NEW SECTION. **Sec. 8.** COMMUNITY-BASED LONG-TERM CARE AND SUPPORT SERVICES. (1) The services available to program beneficiaries shall

1 include, at a minimum, those services included in subsection (2) of
2 this section and provided in accordance with subsection (3) of this
3 section. Community-based long-term care and support services may be
4 provided in a nonresidential setting, a program beneficiary's home, or
5 other residential settings not specifically excluded pursuant to
6 subsection (4) of this section.

7 (2) Community-based long-term care and support services shall
8 include at least the following services:

9 (a) Public education;

10 (b) Telephone information and assistance, including screening and
11 possible referral for case management assessment;

12 (c) Gatekeeper, or other outreach component;

13 (d) Case management, which shall include:

14 (i) A multidimensional assessment of the functionally disabled
15 person's health and long-term care needs. No cost-sharing shall be
16 imposed for this modality;

17 (ii) Development of a comprehensive care plan negotiated by the
18 program beneficiary and his or her case manager, which meets minimum
19 standards established by the board to prevent overly subjective
20 determinations of service needs, and which is subject to an appeal
21 mechanism that provides an opportunity for informal review prior to a
22 fair hearing;

23 (iii) Initiation, coordination, and monitoring of all long-term
24 care services needed by a program beneficiary, including those services
25 not funded by the program;

26 (iv) Involvement of each program beneficiary's family and other
27 support systems; and

28 (v) Reassessment and service termination;

1 (e) Personal and household assistance services to assist
2 individuals with activities of daily living and instrumental activities
3 of daily living;

4 (f) Respite care and family support services necessary to maintain
5 the program beneficiary in his or her family home;

6 (g) Nursing services;

7 (h) Day care and day health care for functionally disabled persons;

8 (i) Mental health day treatment and other mental health counseling;

9 (j) Habilitation services; and

10 (k) Transportation services, to the extent that the administrative
11 entity can demonstrate positive planning by the community through the
12 use of a local option tax or other method to provide paratransit or
13 specialized transportation services to program beneficiaries.

14 (3) Each functionally disabled person's participation in a
15 functional assessment performed by an entity designated by the board
16 pursuant to this act shall be a precondition to receipt of all long-
17 term care services, including those long-term care services not
18 provided through the program.

19 (4) Services performed by the following institutions shall not be
20 funded by this act, except as provided in subsection (5) of this
21 section:

22 (a) Nursing homes licensed pursuant to chapter 18.51 RCW;

23 (b) State institutions for developmentally disabled persons,
24 defined as residential habilitation centers in chapter 71A.20 RCW; and

25 (c) State institutions for mentally ill persons, including but not
26 limited to Eastern State Hospital and Western State Hospital.

27 (5) The board may establish criteria for funding community-based
28 long-term care and support services provided in a nursing home or other
29 health care facility, to the extent that use of such settings is cost-

1 effective and offers appropriate high quality services to program
2 beneficiaries.

3 (6) In determining whether services not explicitly included
4 pursuant to subsection (2) of this section or excluded pursuant to
5 subsection (4) of this section can be offered through the program, the
6 board shall consider the following criteria:

7 (a) Protection of the financial integrity of this act;

8 (b) The extent to which the service is consistent with the intent
9 and purposes of this chapter;

10 (c) The extent to which the service supports individual dignity and
11 independence;

12 (d) The needs of individual local communities;

13 (e) The effectiveness and efficiency of the service; and

14 (f) The extent of local community and volunteer participation in
15 providing the service.

16 NEW SECTION. **Sec. 9.** PROGRAM BENEFICIARY COST-SHARING. (1) The
17 board shall establish a sliding fee scale to determine a program
18 beneficiary's contribution to the cost of community-based long-term
19 care and support services provided to him or her through the program.
20 The sliding fee scale shall be designed to generate a minimum of twenty
21 percent of operating costs of the new system. Sliding fee and other
22 program beneficiary cost sharing payments shall not be imposed prior to
23 state-wide implementation of the program unless a program beneficiary
24 resides within a county served by a regional administrative model
25 project and cost sharing payments for community-based long-term care
26 and support services that program beneficiary is receiving are not
27 prohibited by federal law.

28 (2) The sliding fee scale shall:

1 (a) Base the level of a program beneficiary's contribution on that
2 individual's gross household income, giving appropriate consideration
3 to family size. In determining gross household income, the income of
4 an applicant's spouse shall be considered available to the applicant,
5 and the income of a minor applicant's parents shall be considered
6 available to that minor. The board shall define "income" and other
7 relevant criteria by rule;

8 (b) Provide that for program beneficiaries with gross household
9 income below one hundred fifty percent of the federal poverty level,
10 cost-sharing shall not have the effect of discouraging appropriate use
11 of necessary community-based long-term care and support services;

12 (c) Provide for limits on annual cost-sharing obligation for each
13 program beneficiary's household.

14 (3) To affect community-based long-term care and support service
15 utilization, the board may establish copayments or deductibles which:

16 (a) May be imposed in lieu of the sliding fee scale for program
17 beneficiaries requiring small amounts of community-based long-term care
18 and support services; and

19 (b) Shall not have the effect of discouraging appropriate use of
20 necessary community-based long-term care and support services for
21 program beneficiaries with gross household incomes below one hundred
22 fifty percent of the federal poverty level.

23 NEW SECTION. **Sec. 10.** RIGHT TO REFUSE SERVICES. Nothing
24 contained in this chapter shall be construed to require a program
25 beneficiary to accept services, except to the extent provided otherwise
26 by chapters 71.05, 11.88, and 11.92 RCW.

1 IMPLEMENTING THE NEW COMMUNITY-BASED
2 LONG-TERM CARE SYSTEM

3 NEW SECTION. **Sec. 11.** INTENT RELATING TO IMPLEMENTATION. It is
4 the intent of the legislature that state-wide community-based long-term
5 care and support services be modeled through two regional pilot
6 projects that will test various administrative structures. Lessons
7 learned through the pilot projects will be applied to development of
8 the state-wide community-based system. During the initial phase,
9 additional community-based long-term care and support services will be
10 provided through medicaid and other expansions using revenue from the
11 appropriation supporting this act.

12 NEW SECTION. **Sec. 12.** IMPLEMENTATION. (1) The board shall adopt
13 a schedule for the orderly development of the delivery of services and
14 availability of the program to functionally disabled residents living
15 in the area of the regional administrative model projects conducted in
16 accordance with this act.

17 (2) Current categorical long-term care systems shall merge into the
18 program on a fixed future date, to be determined by the board after
19 authorization by the legislature. Upon merger of these categorical
20 systems, the needs of all disability groups shall be equitably
21 addressed through the program, regardless of the administrative model
22 adopted by the board.

23 NEW SECTION. **Sec. 13.** REGIONAL ADMINISTRATIVE MODEL PROJECTS.
24 (1) Regional administrative model projects shall plan, coordinate, and
25 administer community-based long-term care and support services for a

1 designated region composed of one or more counties with a total
2 population of at least forty thousand.

3 (2) Regional administrative model projects shall satisfy the
4 following criteria:

5 (a) Have the support of the county authority for the county or
6 counties included in the project site;

7 (b) Build upon support available to each program beneficiary from
8 the individual's family, community, and local business;

9 (c) Existing regional and local advisory councils, such as councils
10 on aging, developmental disabilities, and mental health established
11 under state or federal law, and multicultural and multi-ethnic groups
12 will be involved in the proposed long-term care delivery system;

13 (d) Services to minimize the effects of degenerative and
14 debilitating conditions that result in a loss of independence will be
15 offered. Such a plan might include a mechanism to support people who
16 are at risk of rapid deterioration without support;

17 (e) Identify mechanisms that will be used to coordinate services
18 with the acute health care and vocational rehabilitation systems;

19 (f) Identify mechanisms to coordinate services with regional
20 support networks established pursuant to chapter 71.24 RCW, including,
21 but not limited to, formal interagency agreements detailing the roles
22 and responsibilities of the regional support network and the regional
23 administrative model project in meeting the needs of persons whose
24 functional disability is related in whole or in part to mental illness;

25 (g) Transportation needs will be assessed and addressed;

26 (h) Identify mechanisms that will be used to control nursing costs;

27 (i) Provide directly or by contract case management services that
28 include:

1 (i) A multidimensional assessment of the functionally disabled
2 person's health and long-term care needs. No cost-sharing shall be
3 imposed for this modality;

4 (ii) Development of a comprehensive care plan negotiated by the
5 program beneficiary and his or her case manager, which meets minimum
6 standards established by the board to prevent overly subjective
7 determinations of service needs, and which is subject to an appeal
8 mechanism that provides an opportunity for informal review prior to a
9 fair hearing;

10 (iii) Initiation, coordination, and monitoring of all long-term
11 care services needed by a program beneficiary, including those services
12 not funded by the program;

13 (iv) Involvement of each program beneficiary's family and other
14 support systems; and

15 (v) Reassessment and service termination;

16 (j) Include mechanisms to ensure access to culturally and
17 linguistically appropriate services by minority and limited English
18 speaking populations.

19 (3) In contracting for regional administrative model project sites,
20 the board shall:

21 (i) Utilize competitive bidding procedures;

22 (ii) Issue planning grants and contracts to operate regional
23 administrative model projects in no more than two sites. No more than
24 one site may be comprised west of the Cascade mountains. To the
25 greatest extent possible, giving consideration to applications received
26 and an applicant's ability to comply with relevant performance
27 standards:

28 Planning grants shall have a duration of July 1, 1992, through June
29 30, 1993.

1 Contracts to operate regional administrative model projects shall
2 have a duration of two years, beginning on or after July 1, 1993 if
3 funds are appropriated by the 53rd legislature for that purpose and
4 shall;

5 (iii) To the greatest extent possible, contract for a diversity of
6 case management models. At least one of the models shall utilize a
7 case management model in which the case manager authorizes and manages
8 services within budgeted funds.

9 (iv) Include remedies in the contracts for failure to comply with
10 the terms of the contract, including intermediate remedies in addition
11 to termination of a contract.

12 NEW SECTION. **Sec. 14.** EVALUATION OF REGIONAL ADMINISTRATIVE MODEL
13 PROJECTS. The board shall develop criteria to evaluate the success and
14 failure of the regional administrative model projects established
15 pursuant to this act in meeting the intent and purposes of this
16 chapter. The board shall contract with an independent entity to
17 evaluate:

18 (1) The regional administrative model projects using the criteria
19 developed pursuant to this section; and

20 (2) The actions taken by the board to implement this chapter giving
21 consideration to this chapter's intent and purposes.

22 A report detailing the results of the evaluation shall be submitted
23 to the governor and appropriate committees of the legislature no later
24 than three years following initiation of the regional administrative
25 model projects.

1 long-term care system and that current and future demands are exceeding
2 available financial resources, an appropriation of state general funds,
3 matching federal funds, public insurance funds, and sliding fee
4 contributions by program beneficiaries shall be established. The
5 legislature recognizes that development and implementation of the
6 program will involve significant cooperation and partnership between
7 Washington state and the federal government.

8 NEW SECTION. **Sec. 18.** FEDERAL/STATE RELATIONSHIP. The board
9 shall identify and request federal statutory waivers necessary to allow
10 federal funds currently used for community-based long-term care and
11 support services to be expended as provided in this chapter.

12 NEW SECTION. **Sec. 19.** FINANCING. (1) The secured benefit fund is
13 created in the state treasury. All receipts from sources specified in
14 this section shall be deposited in the fund. Moneys in the fund may be
15 spent only after appropriation and may be used only for carrying out
16 the purposes of this chapter.

17 (2) The secured benefit fund shall consist of:

18 (a) Legislative appropriations for general fund-state spending for
19 community-based long-term care and support services;

20 (b) Federal funds received by the state as payment for community-
21 based long-term care and support services, including but not limited to
22 the medicare program, Title XVIII of the federal social security act,
23 and the medicaid program, Title XIX of the federal social security act;
24 and

25 (c) Program beneficiary cost-sharing as provided in this act.

1 NEW SECTION. **Sec. 20.** PRIVATE LONG-TERM CARE INSURANCE. The
2 private long-term care insurance commission is hereby established. The
3 commission shall be composed of seven members who shall be appointed by
4 the insurance commissioner. Commission members shall be reimbursed for
5 travel expenses pursuant to RCW 43.03.050 and 43.03.060.

6 (2) The commission shall review and make recommendations regarding
7 the role of long-term care insurance in the new system. The commission
8 shall report its recommendations to the board, the insurance
9 commissioner, and appropriate committees of the legislature on or
10 before December 1, 1992.

11 NEW SECTION. **Sec. 21.** IN-MIGRATION. (1) The legislature intends
12 that the program be available to established residents of Washington
13 state.

14 (2) To discourage relocation of functionally disabled persons from
15 other states into Washington to obtain program benefits, the board
16 shall require, as condition of receipt of program benefits by
17 functionally disabled persons who have not resided in Washington state
18 for a continuous period of twelve months prior to their application for
19 program benefits, that these individuals pay a monthly premium for
20 program benefits actuarially determined based upon the level and type
21 of benefits available through the program.

22 PART V

23 TRANSITION PERIOD PENDING FULL IMPLEMENTATION OF THE PROGRAM

24 NEW SECTION. **Sec. 22.** The legislature recognizes that state-wide
25 implementation of the community-based long-term care secured benefit
26 program will require four to five years, to allow completion of

1 necessary coordination with the federal government and sufficient
2 testing of regional administrative models. The legislature intends
3 that expenses for regional model administrative projects, including
4 administration, monitoring, data collection, and evaluation be derived
5 from the funds provided by this act. The service expansions authorized
6 by this act shall be temporary measures pending state-wide
7 implementation of the community-based long-term care secured benefit
8 program.

9 NEW SECTION. **Sec. 23.** (1) During the transitional period from the
10 effective date of this section until state-wide implementation of the
11 program, the legislature shall appropriate, and the executive shall
12 administer, all community-based long-term care funds except those
13 necessary to administer and provide services through regional
14 administrative model projects, and matching funds and program
15 beneficiary cost sharing collected through such projects.

16 (2) Regional model administrative project funds shall be
17 administered by the board. Regional model administrative projects
18 shall receive funding for the number of functionally disabled persons
19 in the county or counties served by the project in an amount equal to
20 the per capita community-based long-term care expenditures for
21 functionally disabled persons currently receiving state and federally
22 funded services, and such additional funds determined by the board to
23 be necessary for administration of the projects, including monitoring,
24 data collection, and evaluation.

25 (3) Upon completion and evaluation of the regional administrative
26 model projects and enactment of legislation establishing the state-wide
27 administrative structure of the program, all community-based long-term

1 care funds shall be deposited into the secured benefit fund pursuant to
2 this act and administered by the board.

3 **Sec. 24.** RCW 74.09.510 and 1989 1st ex.s. c 10 s 8 are each
4 amended to read as follows:

5 Medical assistance may be provided in accordance with eligibility
6 requirements established by the department of social and health
7 services, as defined in the social security Title XIX state plan for
8 mandatory categorically needy persons and: (1) Individuals who would
9 be eligible for cash assistance except for their institutional status;
10 (2) individuals who are under twenty-one years of age, who would be
11 eligible for aid to families with dependent children, but do not
12 qualify as dependent children and who are in (a) foster care, (b)
13 subsidized adoption, (c) an intermediate care facility or an
14 intermediate care facility for the mentally retarded, or (d) inpatient
15 psychiatric facilities; (3) the aged, blind, and disabled who: (a)
16 Receive only a state supplement, or (b) would not be eligible for cash
17 assistance if they were not institutionalized; (4) individuals who
18 would be eligible for but choose not to receive cash assistance; (5)
19 individuals who are enrolled in managed health care systems, who have
20 otherwise lost eligibility for medical assistance, but who have not
21 completed a current six-month enrollment in a managed health care
22 system, and who are eligible for federal financial participation under
23 Title XIX of the social security act; (6) children and pregnant women
24 allowed by federal statute for whom funding is appropriated; (7)
25 disabled children eighteen years of age or younger who require a level
26 of care provided in a hospital, nursing home, or intermediate care
27 facility for the mentally retarded and can be cared for in the
28 community for less than the cost of such institutional care, if such a

1 child would be eligible for medical assistance if he or she were in a
2 medical institution; and (~~(7)~~) (8) other individuals eligible for
3 medical services under RCW 74.09.035 and 74.09.700 for whom federal
4 financial participation is available under Title XIX of the social
5 security act.

6 **Sec. 25.** RCW 74.09.520 and 1990 c 33 s 594 and 1990 c 25 s 1 are
7 each reenacted and amended to read as follows:

8 (1) The term "medical assistance" may include the following care
9 and services: (a) Inpatient hospital services; (b) outpatient hospital
10 services; (c) other laboratory and x-ray services; (d) skilled nursing
11 home services; (e) physicians' services, which shall include prescribed
12 medication and instruction on birth control devices; (f) medical care,
13 or any other type of remedial care as may be established by the
14 secretary; (g) home health care services; (h) private duty nursing
15 services; (i) dental services; (j) physical therapy and related
16 services; (k) prescribed drugs, dentures, and prosthetic devices; and
17 eyeglasses prescribed by a physician skilled in diseases of the eye or
18 by an optometrist, whichever the individual may select; (l) personal
19 care services, as provided in this section; (m) hospice services; (n)
20 community-supported living arrangements for developmentally disabled
21 persons; (o) other diagnostic, screening, preventive, and
22 rehabilitative services; and (~~(o)~~) (p) like services when furnished
23 to a handicapped child by a school district as part of an
24 individualized education program established pursuant to RCW
25 28A.155.010 through 28A.155.100. For the purposes of this section, the
26 department may not cut off any prescription medications, oxygen
27 supplies, respiratory services, or other life-sustaining medical
28 services or supplies.

1 "Medical assistance," notwithstanding any other provision of law,
2 shall not include routine foot care, or dental services delivered by
3 any health care provider, that are not mandated by Title XIX of the
4 social security act unless there is a specific appropriation for these
5 services. Services included in an individualized education program for
6 a handicapped child under RCW 28A.155.010 through 28A.155.100 shall not
7 qualify as medical assistance prior to the implementation of the
8 funding process developed under RCW 74.09.524.

9 (2) The department shall amend the state plan for medical
10 assistance under Title XIX of the federal social security act to
11 include personal care services, as defined in 42 C.F.R. 440.170(f), in
12 the categorically needy program.

13 (3) The department shall adopt, amend, or rescind such
14 administrative rules as are necessary to ensure that Title XIX personal
15 care services are provided to eligible persons in conformance with
16 federal regulations.

17 (a) These administrative rules shall include financial eligibility
18 indexed according to the requirements of the social security act
19 providing for medicaid eligibility.

20 (b) The rules shall require clients be assessed as having a medical
21 condition requiring assistance with personal care tasks. Plans of care
22 must be approved by a physician and reviewed by a nurse every ninety
23 days.

24 (4) The department shall design and implement a means to assess the
25 level of functional disability of persons eligible for personal care
26 services under this section. The personal care services benefit shall
27 be provided to the extent funding is available according to the
28 assessed level of functional disability. Any reductions in services
29 made necessary for funding reasons should be accomplished in a manner

1 that assures that priority for maintaining services is given to persons
2 with the greatest need as determined by the assessment of functional
3 disability.

4 (5) The department shall report to the appropriate fiscal
5 committees of the legislature on the utilization and associated costs
6 of the personal care option under Title XIX of the federal social
7 security act, as defined in 42 C.F.R. 440.170(f), in the categorically
8 needy program. This report shall be submitted by January 1, 1990, and
9 submitted on a yearly basis thereafter.

10 (6) Effective July 1, 1989, the department shall offer hospice
11 services in accordance with available funds. The department shall
12 provide a complete accounting of the costs of providing hospice
13 services under this section by December 20, 1990. The report shall
14 include an assessment of cost savings which may result by providing
15 hospice to persons who otherwise would use hospitals, nursing homes, or
16 more expensive care. The hospice benefit under this section shall
17 terminate on June 30, 1991, unless extended by the legislature.

18 **Sec. 26.** RCW 74.09.700 and 1989 c 87 s 3 are each amended to read
19 as follows:

20 (1) To the extent of available funds, medical care may be provided
21 under the limited casualty program to persons not otherwise eligible
22 for medical assistance or medical care services who are medically needy
23 as defined in the social security Title XIX state plan and medical
24 indigents in accordance with medical eligibility requirements
25 established by the department. This includes residents of skilled
26 nursing homes, intermediate care facilities, and intermediate care
27 facilities for the mentally retarded who are aged, blind, or disabled
28 as defined in Title XVI of the federal social security act and whose

1 income exceeds three hundred percent of the federal supplement security
2 income benefit level.

3 (2) Determination of the amount, scope, and duration of medical
4 coverage under the limited casualty program shall be the responsibility
5 of the department, subject to the following:

6 (a) Only inpatient hospital services; outpatient hospital and rural
7 health clinic services; physicians' and clinic services; prescribed
8 drugs, dentures, prosthetic devices, and eyeglasses; skilled nursing
9 home services, intermediate care facility services, and intermediate
10 care facility services for the mentally retarded; home health services;
11 other laboratory and x-ray services; rehabilitative services; medically
12 necessary transportation; and other services for which funds are
13 specifically provided in the omnibus appropriations act shall be
14 covered;

15 (b) Personal care and hospice services shall be covered for persons
16 who are medically needy as defined in the social security Title XIX
17 state plan;

18 (c) Persons who are medically indigent and are not eligible for a
19 federal aid program shall satisfy a deductible of not less than one
20 hundred dollars nor more than five hundred dollars in any twelve-month
21 period;

22 ((+e)) (d) Medical care services provided to the medically
23 indigent and received no more than seven days prior to the date of
24 application shall be retroactively certified and approved for payment
25 on behalf of a person who was otherwise eligible at the time the
26 medical services were furnished: PROVIDED, That eligible persons who
27 fail to apply within the seven-day time period for medical reasons or
28 other good cause may be retroactively certified and approved for
29 payment.

1 (3) The department shall establish standards of assistance and
2 resource and income exemptions. All nonexempt income and resources of
3 limited casualty program recipients shall be applied against the cost
4 of their medical care services.

5 NEW SECTION. **Sec. 27.** A new section is added to chapter 74.09 RCW
6 to read as follows:

7 The department shall make the following changes in the community
8 options program entry system program waiver, to the extent such changes
9 are permissible under section 1915(c) of the federal social security
10 act, to increase that program's ability to meet the community-based
11 long-term care needs of functionally disabled persons who would
12 otherwise require nursing-home care:

13 (1) Cover services such as assisted living housing units, adult day
14 care, respite care, home-delivered meals, home modifications, and
15 electronic emergency response systems;

16 (2) Change the monthly service expenditure lid so that, in the
17 aggregate, the cost of services to recipients does not exceed the cost
18 of nursing-home care, rather than applying such test to each such
19 individual recipient; and

20 (3) Provide that the personal maintenance costs that are covered
21 with a recipient's own income are no longer counted against the monthly
22 service expenditure lid on the cost of their care plan.

23 NEW SECTION. **Sec. 28.** A new section is added to chapter 71A.12
24 RCW to read as follows:

25 For each developmentally disabled person who is moved from a
26 residential habilitation center into the community, a biennial amount
27 adjusted for inflation equivalent to the amount of state funds that

1 would have been spent to care for that individual in the residential
2 habilitation center shall be deposited into the secured benefit fund
3 established pursuant to this act, to finance long-term care services in
4 the community where the individual resides.

5 NEW SECTION. **Sec. 29.** A new section is added to chapter 74.09 RCW
6 to read as follows:

7 The department shall make every practicable effort to develop, in
8 cooperation with one or more health maintenance organizations
9 registered pursuant to chapter 48.46 RCW, a request for a demonstration
10 waiver under the federal social security act to establish a social
11 health maintenance organization.

12 NEW SECTION. **Sec. 30.** SEVERABILITY. If any provision of this act
13 or its application to any person or circumstance is held invalid, the
14 remainder of the act or the application of the provision to other
15 persons or circumstances is not affected.

16 NEW SECTION. **Sec. 31.** EFFECTIVE DATE. (1) Sections 1 through 21,
17 23, and 30 of this act are necessary for the immediate preservation of
18 the public peace, health, or safety, or support of the state government
19 and its existing public institutions, and shall take effect July 1,
20 1991.

21 (2) Sections 22, 24 through 29, and 35 of this act shall take
22 effect July 1, 1992.

23 NEW SECTION. **Sec. 32.** Part and section headings as used in this
24 act do not constitute any part of the law.

1 NEW SECTION. **Sec. 33.** Sections 1 through 21, 23, and 30 of
2 this act shall constitute a new chapter in Title 70 RCW.

3 NEW SECTION. **Sec. 34.** The sum of sixteen million dollars, or
4 as much thereof as may be necessary, is appropriated for the biennium
5 ending June 30, 1993, from the general fund to the community-based
6 long-term care secured benefit program board for the purposes of this
7 act.

EFFECT: This amendment establishes the community-based long-term care secured benefit program board and directs it to develop the plan for two regional administrative models. The employee - employer tax is removed.