



Advocacy News

The 2020 legislative session officially wrapped up late last night. Overall we had some successes this year! Not surprisingly, the priorities and atmosphere in Olympia drastically shifted during the last couple of weeks in response to the coronavirus outbreak. By the time budget leaders went to conference, the funding needed for the emergency response and the likely impacts on the economy played a significant role in the budget. However, Long Term Care remained top of mind for many legislators.

Skilled Nursing Facilities-The final appropriation for SNF rates ended up being right in between the House and Senate levels. The budget calls for the rates to be adjusted for inflation beginning May 1, 2020, with inflation continuing through June 30, 2021. The inflation factor will be the CPI-U All Consumers, and will apply a multiplier (compounding factor) of 24 months. See the attached spreadsheet; the green column is where you can find your estimated May 1, 2020 Medicaid rate. The estimated inflation factor for May 1, 2020 is 3.89%. This is the difference between the February 2018 and February 2020 CPI-U All index. Beginning July, 2022, the increase in rates due to inflation is intended to be carried forward as a rate add-on so the dollars remain in the system. Nursing home rates will be rebased beginning July 1, 2020 using 2018 costs; this was already scheduled to happen by law. In the budget, the legislature states that they *intend* to rebase again July 1, 2021, using 2019 cost report data. The legislature requires DSHS to complete a report by December 1, 2020, on the need to include regular ongoing inflationary adjustments to nursing home rates. The legislature did not include any new performance metrics in the budget. This means that the emergency department visits metric will not be used at this time. The dollar amount for these adjustments is **\$18.8 million GF-S and \$37.6 million in total funds** for the remaining year of the 19/21 biennium.

[E2SSB 6515](#)- The House Floor amendment offered yesterday afternoon by Rep. Cody, and adopted by the body, strips all of the language related to rates and funding. The bill now extends the 24/7 RN exception process and aligns nursing home inspections with the federal regulations. The bill then went to the Senate for concurrence in the House amendment where both Senator Van De Wege and Senator O'Ban stood to express deep disappointment that the funding portion was stripped citing the need for the long term policy to stabilize funding and catch up and keep up. They were, of course, referring to annual rebasing and use of an inflation factor that was intended to provide some measure of predictability to payments for skilled nursing. We are now well-positioned to return to Olympia in the 2021 session and secure annual rebasing and inflation as important and permanent elements to our payment methodology.

Adult Day- An additional **\$262,000 GF-S or \$528,000 total funds**, was appropriated to provide a 6%

vendor rate increase for adult day health and adult day care providers, effective July 1, 2020. This equates to a 15% vendor rate increase over the 19/21 biennium. See the chart below (yellow column) for what we expect the 6% increase will look like. DSHS is working to finalize these number before July 1, 2020. We will send the final numbers out as soon as they are available.

Service Name	Unit Type	FY19 Rates	FY20 - July 1, 2019 Rate Current (9% above FY19)	FY21 - Proposed 6% Increase on July 1, 2020 over FY20
Adult Day Care King County	15 mins	\$2.93	\$3.19	\$3.38
Adult Day Care Metropolitan Counties	15 mins	\$2.61	\$2.84	\$3.01
Adult Day Care Non-Metropolitan Counties	15 mins	\$2.48	\$2.70	\$2.86
Adult Day Trial	DL	\$38.48-\$73.91		
Adult Day Health intake evaluation	DL	\$108.14	\$117.87	\$124.94
Adult Day Health King County	DL	\$75.42	\$82.21	\$87.14
Adult Day Health Metropolitan Counties	DL	\$69.85	\$76.14	\$80.71
Adult Day Health, Non-Metropolitan Counties	DL	\$66.86	\$72.88	\$77.25
Adult Day Care King	DL	\$46.81	\$51.02	\$54.08
Adult Day Care Metropolitan Counties	DL	\$41.73	\$45.49	\$48.22
Adult Day Care Non-Metropolitan Counties	DL	\$39.60	\$43.16	\$45.75

Assisted Living- On Friday April 3, 2020, in a surprise to all, the Governor vetoed the hard fought \$1.364 million increase to the Assisted Living Specialized Dementia Care (SDC) rates. This was done in part to reduce the supplemental operating budget spending by a total of \$445 million to offset, in part, the emergency funding provided to address the states response to COVID. We appreciate all the hard work that was put in to fighting for this rate increase.

Original Budget as passed by House and Senate-

\$1.364 million GF-S or \$2.997 million total funds, was appropriated to increase the Specialized Dementia Care (SDC) rates; approximately \$10 per-client	High Cost Area Rate	Medium-High Cost	Standard Cost Area
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per-day increase. Below is a draft model of what the rate increases should look like for each CARE classification. Classification			
A Low	\$130.88	\$119.07	\$112.79
A Med	\$130.88	\$119.07	\$112.79
A High	\$130.88	\$119.07	\$112.79
B Low	\$130.88	\$119.07	\$112.79
B Med	\$130.88	\$119.07	\$112.79
B Med-High	\$130.88	\$119.07	\$112.79
B High	\$130.88	\$119.07	\$112.79
C Low	\$130.88	\$119.07	\$112.79
C Med	\$130.88	\$119.07	\$112.79
C Med-High	\$130.88	\$119.07	\$112.79
C High	\$130.88	\$119.07	\$112.79
D Low	\$130.88	\$119.07	\$112.79
D Med	\$130.88	\$119.07	\$112.79
D Med-High	\$132.92	\$130.00	\$123.35
D High	\$142.86	\$139.22	\$132.17

There still no new funding appropriated for the assisted living base rates.

Housing- An additional \$55 million was added to the Housing Trust Fund to build affordable housing. The budget also includes \$160 million to address homelessness and housing.

Bills that Passed

[2965](#)- Coronavirus response. After multiple amendments from both the House and the Senate the total appropriation for the coronavirus response is now \$200 million; \$175 million coming from the disaster response account and the remaining \$25 million from general fund- federal. The money will be given to state and local agencies including DSHS. The Employment Security Department will also receive funding to assist with unemployment costs by extending benefits to those who must self-quarantine.

[6205](#)- Preventing harassment, abuse, and discrimination experienced by long-term care workers in Home Care did pass. The bill will require home care agencies to have comprehensive written policies that address discrimination, abusive conduct and challenging behaviors by July 1 2021. Agencies must also implement a plan to protect employees from abusive conduct.

[SSB 6267](#) Modifying the LTC Trust program. Clarifies the ability for individuals with existing LTC Insurance to opt-out of the premium.

[HB 2634](#) - Exempting a sale or transfer of real property for affordable housing to a nonprofit entity, housing authority, or public corporation from the real estate excise tax. Property sold to a qualifying grantee used for rental housing for low-income households is exempt from REET.

[HB 2384](#) - Concerning the property tax exemption for nonprofit organizations providing rental housing or mobile home park spaces to qualifying households. Beginning July 1, 2021, the maximum income to be considered a qualifying household is increased from 50 percent to 60 percent of county median income. For facilities of any size, if the income of a qualifying household rises above 60 percent of the median income, but remains at or below 80 percent, the exemption will continue so long as the housing continues to meet certification requirements.

Thank you again to all the members who came to Olympia to testify, who met with their legislators, or who sent emails urging legislators to act. We can't do this without the voice of the providers themselves.

Until next year!!

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