



## Week 1

With the legislature in full swing, we have had the opportunity to testify at 2 hearings this week. The House Appropriations and Senate Ways & Means Committees held their first budget hearings this week. We advocated for annual rebasing, annual inflation, as well as the need for increasing the Direct Care Median up to 105% for skilled nursing. Budget provisos addressing the skilled nursing funding increases are drafted and we are seeking a sponsor. Rep Schmick is sponsoring the policy bill calling for annual rebasing and inflation and once its introduced we will share the bill with members. We have also met with key legislative leadership as well as legislative staff to brief them on the mechanics and the importance of these funding improvements.

We are also pushing to include the Specialized Dementia Care Assisted Living rates in the 20-21 supplemental budget so the funding rolls out to providers beginning as early as April 1, 2021. We have met with Legislative leadership and legislative staff regarding this funding as well as the need to increase rates paid in all CARES classification groups by 2.5% as well.

Sen. Rolfes has introduced SB 5156 that would make expenditures from the budget stabilization account to address issues listed below.

- \$315 million total to Department of Commerce from CARES Act for rent assistance and small business and nonprofit assistance.
- \$200 million to address immediate financial crises of households and small businesses. Intended to prevent future evictions due to nonpayment of rent.
- \$100 million to OFM/Commerce – Home Security Fund. Provides rental assistance to residents of Washington.
- \$100 million to OFM/Commerce – Economic Development Strategic Reserve account. Provided solely for business assistance grants to help prevent the closure of a business or facility. Prioritized for small businesses with annual revenues of \$5,000,000 or less, and for businesses in sectors that have experienced significant impacts as a results of public health measures. Nonprofits may be eligible if they meet eligibility criteria.

Below is a more complete description of our skilled nursing and assisted living funding priorities for this year.

**Skilled Nursing-** DSHS has offered legislation to place annual rebasing and an annual inflation factor in statute. Importantly, the Governor's budget released November 18th, includes the funding necessary to annually rebase and apply an inflation factor adjustment to the skilled nursing rates during the 21/23 biennium. We understand the department's request legislation will be introduced in the House and the prime sponsor is Representative

Schmick, a Republican in leadership on the health care committee. The second bill sponsor is expected to be Representative Macri, a Democrat also in a position of leadership on the health care committee. Annual rebasing is an adjustment to the payment system that we have long advocated for to prevent Medicaid rates from lagging too far behind the costs of care. Also, important to the payment system and setting of rates is the application of an annual inflation adjustment factor since the underlying cost report data used to set rates is, at a minimum, 1.5 years old by the time the new rate is set. The inflation factor will continue to use the *CPI-U All*, as published by the Bureau of Labor and Statistics. The inflation factor is found by determining the difference between the published inflation factors over a two-year period. Last July, the inflation factor used was the difference between May 2018 and May 2020 and was 1.91%. We are pleased that the department and the Governor's office have recognized the funding needs of skilled nursing and have prioritized annual rebasing and inflation of underlying cost data. **\$11.5 million GF-S, \$23 million Total.**

However, we don't believe annual rebasing and inflation alone will close the enormous gap between costs of care and the rates paid. Medicaid underfunding is projected to be nearly \$109 million for 2020 and \$110 in 2021 following rebasing and inflation of costs. The best we will do, without further adjusting the mechanics of the payment system, is close the underfunding gap to approximately \$100 million. Therefore, we are advocating for funding in an amount necessary to increase the direct care median from 100% to 105%. A policy bill is unnecessary to increase the direct care price to 105% of median as the current statute provides the necessary flexibility. This is a budget ask only. Accomplishing an increase in the price paid for direct care, is a much-needed investment to better enable skilled nursing to compete for nurses, CNAs and other support staff and maintain and improve quality of care. **\$23.2 million GF-S, \$46.4 million Total.**

Combined, annual rebasing, inflation factor and direct care median set at 105% of the median, cost **\$34.7 million GF-S or \$69.4 million Total Funds.**

**Assisted Living-** Nearly half of the CARES classifications haven't seen a rate increase in nearly 5 years. We must correct years of funding neglect and are pushing the legislature to implement an across the board rate increase of 2.5% each year of the biennium. This will ensure that all classifications will receive a rate increase. While the funding needed to achieve this pales in comparison to the \$114 million needed to fully fund the assisted living rate methodology, it is an important and continuing step towards our ultimate funding goal. To gain traction towards fully funding the methodology, we are also calling on the legislature to instruct DSHS to create a plan to phase us towards a fully funded model. **\$6.3 million GF-S, \$13.3 million Total.**

We are also requesting that the legislature implement the rate increase for Specialized Dementia Care clients that was passed last year. This rate increase was vetoed by Governor Inslee in order to redirect the funding to the COVID response. **\$3 million GF-S, \$6 million Total.**

We also have two presentations that give a more comprehensive review of the underfunding and rate history for both [assisted living](#) and [skilled nursing facilities](#). Carma Matti Jackson has also done a great walkthrough of each of these presentations which you can find [here](#).

These materials can be a great resource when communicating with your legislators. If you have not done so already we are urging all members to set up meetings with their legislators to discuss these funding needs.

## LeadingAge Washington Priority Policy Bills

[HB 1120](#) - **Concerning state of emergency operations impacting long-term services and supports.** Throughout the pandemic, we've seen over 50 RCW and WACs waived to help eliminate barriers and help providers better respond to COVID. Many of the waivers applied to our workforce training and on-boarding requirements. Because workers can not comply with the timelines set in the RCWs, permanent changes to laws are necessary to avoid disruption of our current workforce.

### Bills to monitor impacting LTC

#### Support

[SCR 8402](#) - **Extending certain gubernatorial orders issued in response to the COVID-19 state of emergency.** Would extend all of the long term care waivers for the remainder of the public health emergency. This would allow time for the permanent changes to the statutes to pass through the legislature, preventing any gaps.

[SB 5169](#) - **Concerning provider reimbursement for personal protective equipment during the state of emergency related to COVID-19.** For the duration of the state of emergency related to COVID-19, a health carrier shall reimburse a health care provider who bills for personal protective equipment

[SB 5191](#) - **Regulating unfair business practices and prohibiting predatory price increases during states of emergency.** During a state of emergency, this bill would restrict charging an excess price for health care services including agency staff.

[HB 1124](#) - **Concerning nurse delegation of glucose monitoring, glucose testing, and insulin injections.** This bill would allow CNAs in a nursing home to be delegated for glucose monitoring and testing.

#### Oppose

[SB 5115](#) - **Establishing health emergency labor standards.** The bill would prohibit the discharge or discrimination of an employee who raises infection control concerns regarding any disease subject to a public health emergency. Further, it would make it easier for more workers to obtain L&I claim benefits for disease related conditions they would previously have had to prove. The bill would also mandate that an employer provide lower-paid frontline employees with health emergency pay during a public health emergency. Additionally, provide each of its employees 12 weeks of emergency child care leave on an annual basis if you have 50 or more employees.

[HB 1073](#) - **Expanding coverage of the paid family and medical leave program.** Employees are eligible for family and medical leave benefits after they have earned at least \$1,000 in employment during the qualifying period. This is a change from the 820 hour standard. The definition for "Family member" is expanded to cover any individual related by blood or affinity whose close association with a covered individual is the equivalent of a family member.

[HB 1097](#) - **Increasing worker protections.** Expands a worker's cause of action for discrimination and makes it easier for L&I to penalize employers.

[SB 5139](#) - **Limiting rent increases after expiration of the governor's eviction moratorium.** Restricts rent increases for 6 months after the expiration of the eviction moratorium. For the subsequent six months, a landlord may not increase the monthly rent more than three percentage points above the previous year's CPI index.

[SB 5160](#) - **Addressing landlord-tenant relations by providing certain tenant protections during and after public health emergencies, providing for legal representation in eviction cases, and authorizing landlord access to state rental assistance programs.** Would extend the eviction moratorium protections for two years after the public health emergency. Would also require a landlord to offer a repayment plan for any unpaid rent during the time the Governor's proclamation was in place.

[HB 1218](#) - **Improving health, safety, and quality of life for residents in long-term care facilities.** This bill would require that long-term care facilities be responsive to incoming communications both during business hours and after hours and have sufficient telecommunications equipment and assistance for residents. Requires that facilities maintain an accessible resident and emergency contact list, which includes legal decision-makers. It would also require increased disaster planning by facilities, which would be reviewed annually during the survey. Additionally, inspection of the ventilation system and adequate PPPE during an annual survey.

[SB 5190](#) - **Providing health care workers with presumptive benefits during a public health emergency.** If a health care employee is unable to work or was terminated from work during a public health emergency due to being under quarantine from or after contracting the disease, it is presumed that the worker was exposed to the disease at the health care facility.

**Sincerely,**

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