

Greetings:

Thank you for providing critical funding for assisted living facilities. Both the House and Senate proposals contain needed funding for this sector for the short and long term. We are asking that the conference committee combine the best of both budget proposals.

COVID Add-On

The House budget includes needed investments for COVID funding for assisted living and recognizes the significant disparity between the adult family home add-on of \$13.96/Medicaid resident day as compared to the \$4.79/Medicaid resident day provided for assisted living facilities. Both settings serve the same population and incur the very same costs. Like adult family homes, assisted living providers continue to see increased expenses for gowns, gloves, masks, and other infection prevention and control supplies, hero pay, and the costs for the use of agency staffing since Washington's long term care workforce is in such short supply. Assisted living providers also employ more credentialed staff like LPNs and RNs than adult family homes. The current assisted living COVID rate of \$4.79/Medicaid resident day falls far short of covering these costs. We were heartened that during executive action on the House budget proposal in the Appropriations Committee on March 29, Representative Cody noted that assisted living centers and adult family homes should be treated similarly with regarding to the funding level for the COVID-19 add-on.

The House also extends the COVID add-on into the first six months of 2022 whereas the Senate terminates this rate at the end of 2021. Extending the funding is critical so that providers have the resources necessary to address infection control during the fall and winter months, as we remain vigilant against COVID-19, or a variant of it or a new strain altogether, and as we head indoors and into another season of flu, colds and viruses.

Please include the higher funding level for the COVID rate add-on at \$13.96/Medicaid resident day and until June 30, 2022, in the final conference budget.

Methodology Investment

In the conference budget, please include the Senate funding levels for assisted living base rates

Like the COVID rate add-on, we ask for equity with other home and community-based settings receiving an increase in their base rates. Updating rates to keep pace with the cost of labor and goods is critical to ensuring assisted living remains an option for low-income persons. It's important that assisted living providers see some increase and we hope you will support base rates improvements for FY2021-2023.

The Senate proposal includes increasing the funding for the Medicaid methodology from 58% to 60%. This provides an average increase of 1.7%. Unfortunately, under this level of funding, 41% of the Medicaid caseload will not see a rate increase. These are the same individuals whose rates have remained stagnate since 2018.

During the interim, stakeholders will meet with DSHS to present a phased approach to reach eventual full funding of the methodology in next year's supplemental budget and in subsequent biennia.

Specialized Dementia Care

In the conference budget, please include the Senate funding levels for the Specialized Dementia Care rate increase of \$10 ppd.

The Senate budget restores specialized funding that was vetoed last year in a last-minute COVID-19 budget sweep. This funding had been approved by the 2020 Legislature, and was requested by DSHS. Please follow the Senate's lead and restore this funding in the final conference budget. This funding is critical to maintaining this program's current capacity and is a great first step in expanding it as the need for dementia care for low-income seniors increases.

Comparison of House and Senate Budgets and Summary of Funding Request

Below is a breakdown of the funding levels for assisted living in both the House and Senate operating budgets. The last column is what we urge you to include in the final conference budget for this essential long term care setting.

Together these proposals address the short-term funding needed to respond to the COVID 19 pandemic and take important steps to address the long-term funding needs of a sector that has historically been left behind.

Please let us know if you have any questions.

Policy GF-S (Dollars in Millions)	House	Senate	Conference Recommendation
AL Rates	-	\$ 1.9	\$ 1.9
SDC Rates	-	\$ 2.4	\$ 2.4
Subtotal AL Rate Proposal	\$ -	\$ 4.3	\$ 4.3
FY22 COVID-19 Add-ons for AL	\$ 7.1	\$ 1.8	\$ 7.1
Total	\$ 7.1	\$ 6.1	\$ 11.4

Sincerely,



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