



Washington Health Care Association

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Via Email: medicaidtransformation@hca.wa.gov

Washington Health Care Authority
Attn: Medicaid Transformation
PO Box 42710
Olympia, WA 98504

To Whom It May Concern:

The purpose of this letter is to provide comments from the Washington Health Care Association regarding the draft Washington State Medicaid Transformation Waiver Application (“draft waiver”). The Washington Health Care Association (WHCA) represents 175 skilled nursing facilities and 350 assisted living facilities operating in the state of Washington.

With respect to the draft waiver, we have concerns regarding the implementation of the higher functional eligibility criteria for nursing facility services which is a part of the proposed “Initiative 2.” Based upon presentations given at the public meetings explaining the proposed waiver, DSHS is seeking to reduce the number of Medicaid clients admitted to nursing homes in the future through the adoption of more restrictive admission criteria. Medicaid residents currently residing in nursing homes who do not meet this more restrictive criteria would be considered “grandfathered” into the community and allowed to stay. However, prospective new residents who do not meet the more restrictive criteria will not be eligible for a Medicaid nursing home stay.

Our concerns are focused upon how this two-tiered system will be managed. Currently, it is extremely difficult to involuntarily discharge a resident from a nursing home. The involuntary discharge process requires an administrative hearing and administrative appeal process that can take over a year to complete.

Implementation of the proposed draft waiver has the goal of reducing admissions to nursing homes. However, it is not clear how implementation would work and how reimbursement rates would be affected. Facilities with a less acute population may see a significant deterioration in census, while those facilities with a higher post-acute care census may find support in transitioning low acuity residents to lower levels of care. But, the bigger questions we face concern how the Department intends to implement this program given the complexity of relevant regulations, and what rate the Department intends to pay facilities for clients who do not meet the new stricter admission criteria.

The draft waiver request is silent as to what course of action should be taken if a Medicaid resident enters a nursing home under the stricter new criteria but shortly thereafter improves. Similarly, the draft waiver does not consider instances when a resident enters a facility as a Medicare resident and converts to Medicaid, but does not meet the stricter admission criteria. Both of these scenarios raise several concerns. If the resident refuses to move to a lower level of care what would be the payment process for the resident? In addition, would residents with low level care needs that hover near the Medicaid eligibility criteria cutoff always be at risk for transfer to a different level of care?

Similarly, who would be responsible for facilitating the transfer to the lower level care setting? Would this burden fall on the facility? Similarly, if the resident refused to move and took advantage of his/her administrative appeal rights, would the facility be expected to bear the expense (in both time and resources) of defending the need to discharge the resident without DSHS support?

The goal of “limiting access to nursing homes for individuals with low care needs” appears to be a simple solution to the problem of a growing nursing home population. However, appearances can be deceiving. The draft waiver completely ignores the prospect of a Medicaid resident’s health improving while in the nursing home and refusing to leave. This is a common problem currently confronted by nursing homes on a regular basis. Currently, the nursing home confronted with this situation must try to convince the resident to leave, usually without Department assistance.

It is our position that the Department, in the waiver application, should commit to two propositions. First, that there will be no reduction in reimbursement rates while the facility attempts to relocate the resident. Second, the Department should commit to employing additional resources to assist providers when they attempt to discharge Medicaid residents who do not meet the stricter admission criteria.

Thank you for your attention to this matter. Should you have any questions please do not hesitate to contact me at 360-352-3304, extension 101.

Sincerely,

WASHINGTON HEALTH CARE ASSOCIATION



Robin Dale, CEO