



STATE OF WASHINGTON
DEPARTMENT OF SOCIAL AND HEALTH SERVICES,
Olympia, WA 98504-5000

October 3, 2007

Mary Selecky, Secretary
Department of Health
PO Box 47890
Olympia, Washington 98504-7890

Dear Secretary Selecky:

Thank you for moving forward on a change to the definition of "established bed ratio" in WAC 246-310-010. As we articulated in our joint letter with the nursing home trade associations of January 5, 2007 the policy direction for Washington State is to expand the availability of home and community services to meet the needs of consumers and maximize limited resources. One of the ways the state's policymakers have done this is by reducing reliance on institutional care.

Since our January 5th letter, the federal government has also become more focused on reducing reliance on nursing homes. The federal "Own Your Future" campaign is intended to encourage people to plan for their own long-term care. Washington State has joined this campaign. The impetus behind the campaign is the realization that, with the aging of the Baby Boom generation, government programs will be unable to afford long-term care for all who might need it, even if that care is provided in the most cost-effective way possible. As we mentioned in our January 5th letter Washington State has made significant progress in reducing reliance on nursing homes and expanding home and community services. The nursing home caseload has been reduced from 17,353 in FY92 to 11,175 in June 2007. During this same time, the average home and community caseload has grown from 19,330 to 38,447. But even with this reduction in reliance on more expensive nursing home care, government spending will not be able to keep up with need.

The federal government has also recently done more to encourage states to divert or relocate individuals from nursing homes to home and community services. For many years, the Centers for Medicare and Medicaid Services has provided policy support and funding for states to divert and relocate Medicaid-funded clients to home and community services. The federal Administration on Aging recently developed a policy initiative and provided grant funding for states to divert and relocate non-Medicaid funded individuals. The trend is clear nationwide—individuals prefer to remain in their own homes and communities and payors must focus on ensuring that the preferred services are available.

RECEIVED

OCT - 5 2007

DEPT. OF HEALTH
OFFICE OF THE SECRETARY



Mary Selecky, Secretary
October 3, 2007
Page 2

Commentors on the Department of Health's proposed regulation change raised concerns that the proposed change to the bed need ratio would: (1) impact hospitals' ability to place clients in long-term care; (2) needs more study; (3) would limit consumer choice and quality of life because it would not allow new nursing homes to be built; and (4) would limit the ability of individuals in rural areas to receive long-term care services because home and community options are not available in some rural communities.

We would like to provide the Department of Social and Health Services' view on these concerns.

- (1) We agree that state policy should deal with difficulties that hospitals may experience in discharging people to long-term care settings. We do not agree that the solution is simply to continue to allow nursing home beds to be built. Long-term care can be delivered in many settings. The Washington State Hospital Association points to a survey of their members conducted in 2004 in which several counties reported problems placing patients within 30 miles of the hospital. But many counties apparently did not report routine problems, including counties that are significantly "underbedded" under current definitions. Placement problems may be as much related to the level of home and community services that are available as the number of nursing home beds that exist. Amending state policy to limit nursing home beds in order to fund expansion of home and community services could help this situation. Clearly though, this is even a simplistic answer. We are committed to working with policymakers to identify the types of individuals who are hard to place and to develop state policy and funding mechanisms to help with those placements.
- (2) We believe the arguments that this proposed change to the bed ratio needs more study overlooks the large body of work that has already been done. We mentioned a number of works in our earlier letter that support the conclusion that Washington State does not need as many nursing home beds as the current policy would drive. Many nursing homes have large numbers of empty beds. We believe that continuing the current policy could lead to a situation in which currently existing nursing homes slowly fail financially. Clearly this is not in the interest of the nursing homes, their residents, or the communities in which they are often large employers.
- (3) We agree with other commentors on your proposed regulatory change that it is important to support an individual's rights to choice and quality of life. We disagree that older facilities do not provide these rights. We also disagree with the implication that the best facilities are the newest facilities. Washington State has a nationally respected program for quality assurance in nursing homes. In our state, nursing homes are not allowed to become "old decrepit facilities" as Careage argues. Our quality assurance program monitors to ensure that nursing home residents have the quality of care and quality of life that they deserve in adequate facilities. We believe that the nursing home owners and operators in this state share this commitment. While there are certainly facilities that are

Mary Selecky, Secretary
October 3, 2007
Page 3

older, state policy allows facilities to make needed improvements such as reducing the number of beds in each room, remodeling, rebuilding and so on.

- (4) Commentors make the point that the state has a goal of promoting community-based services. They raise concerns that some counties have inadequate home and community services therefore they argue that a "moratorium" on new nursing homes beds is inappropriate. DSHS is working with rural communities to develop home and community options. However we would welcome new resources to expand this effort. We believe that your proposed regulatory change will help focus the state's limited resources on developing home and community services in the areas where they are needed.

We believe that the Department of Health's proposed change to WAC 246-310-010 is in the best interests of individuals in this state who need long-term care. We know that you understand that long-term care can be delivered in many settings, not just in nursing homes. State and national policy and financial resources are focused on ensuring that individuals can receive quality services in the setting that best meets their needs and preferences. We encourage you to continue forward with promulgation of the needed changes to WAC 246-310-010.

Sincerely,



Kathy Leitch, Assistant Secretary
Aging and Disability Services Administration