



STATE OF WASHINGTON
DEPARTMENT OF SOCIAL AND HEALTH SERVICES
Management Services Division
PO Box 45600, Olympia, WA 98504-5600

July 30, 2018

Notice Concerning the Safety Net Assessment

The Department of Social and Health Services hereby informs you of a change concerning the Safety Net Assessment (SNA) imposed on licensed nursing facilities under Ch. 74.48 RCW:

The upper level of the SNA will increase from \$21.50 to \$23.00. This change will be effective October 1, 2018. The lower level of \$1.00 will not change. The exemption categories, defining which facilities pay and whether they pay at the higher or lower level, will not change. Medicaid payment rates will be adjusted to reflect the higher SNA amount.

Explanation

The SNA was created by ESSB 5581, adopted by the Legislature in 2011 as c. 7, 2011 Laws, 1st sp. sess. The bill recognized that it might sometimes be necessary to adjust the level of the SNA. **Section 16, Administration and Collection**, of the bill (now codified as RCW 74.48.040) directs the Department to adopt rules concerning the SNA, including rules for either a decrease or increase in the SNA amount.

Under the authority of this section, the Department adopted **WAC 388-96-910 Safety net assessment**. Subsection (1) of that rule says in part:

Each year, under section 16 of the act, the department of social and health services (the department) may adjust the amount(s) of the SNA to be paid for the next state fiscal year (SFY), beginning July 1. If necessary, the department may further adjust the amount(s) of the SNA at other times during the SFY...[T]he department will submit any adjustments to the SNA amount(s), along with the data supporting the adjustments, to the Washington Health Care Association and the Aging Services of Washington¹ for **review and comment at least sixty calendar days prior to implementation** of the adjusted assessment amounts. These submissions may be made electronically.... (emphasis added)

The Department finds it proper to adjust the higher amount of the SNA to \$23.00 beginning October 1, 2018, because at the level of \$21.50 the SNA has not generated as much revenue as projected in the state budget process. The Legislature directed the Department to ensure that the SNA generates \$66,680,000 for SFY 2019. Factors such as fluctuation in the number of Medicaid residents and the closing of facilities make absolute precision impossible. However, if there is an excess in the SNA fund at the end of the fiscal year, it will be used to reduce the level of the SNA in the following year. As stated in RCW 74.48.040:

¹ Aging Services of Washington has since been renamed LeadingAge Washington.

Notice Concerning the Safety Net Assessment
Effective October 1, 2018

(1)(C) Any positive balance remaining in the fund at the end of the fiscal year shall be applied to reduce the assessment amount of for the subsequent fiscal year.

The Department currently projects that this change in the upper level of the SNA to \$23.00 will apply from October 1, 2018 through at least June 30, 2019. However, it is possible that, due to results experienced as the year progresses, the level of the SNA may need to be adjusted again in compliance with the statute cited above. If that is necessary, the Department will issue another notice.

Please note that Medicaid payment rates to nursing facilities will be adjusted as of October 1, 2018, so that the add-on to reimburse facilities for the SNA paid in relation to Medicaid residents will reflect the amount of \$23.00. The new rates will be sent out at the end of September.

If you have any questions, please contact Tiffany Hills (tiffany.hills@dshs.wa.gov or 360.725.2472).

Sincerely,



Peter Graham, Chief
Office of Rates Management

cc: Bill Moss, Assistant Secretary, ALTSA
Chanh Ly, Director, Management Services Division
Eric Mandt, Assistant Director, Management Services Division