Washington State Hospital Association

2022 **BUDGET** BRIEF

Increase Patient Access to Appropriate Post-Acute Care Settings

The Problem

Patients are living in hospitals because they cannot transition to appropriate post-acute care settings. An August 2021 WSHA survey of hospitals in Washington State showed more than 900 patients ready to be discharged from acute care hospitals who were stuck in the hospital. Those 900-plus hospital beds were not available for people who really need acute care because the beds are occupied by non-acute patients. Caring for these patients who do not need to be in the hospital is impacting hospitals' ability to handle COVID surges, as well as caring for patients who need elective procedures. Hospitals are delaying routine and important care for patients including removal of slow-growing cancers, colostomy reversals and hip and knee surgeries where patients are in pain. According to our survey, some of the top barriers that keep patients in hospitals despite their readiness for discharge include:

- Delayed assessment from the Department of Social and Human Services
- Need for assignment of a guardian
- Cognitive impairment (Alzheimer's/dementia/TBI)

Public investment in additional Home and Community Services (HCS) staff to support acute care transitions, availability of public guardians for low-income patients, and financial incentives for accepting patients with cognitive impairment in long-term care settings can ameliorate these three reasons that patients unnecessarily languish in hospitals.

The COVID-19 pandemic has laid bare the long-standing problems with patients remaining in hospitals beyond their need for acute care services, many of which are due to chronic underfunding of the long-term system amid a growing population in need of those services. The Department of Social and Health Services (DSHS) implemented a discharge incentive program to accelerate movement of difficult-to-discharge patients to more appropriate long-term care settings during the pandemic. These incentives are working, and they will require additional public investment to extend beyond the public health emergency declaration.

Additionally, DSHS funded COVID+ skilled nursing facility (SNF) capacity and COVID strike teams to staff long-term care facilities in need during a COVID surge. We anticipate COVID-related hospital capacity surges to continue, and it would put us several steps behind in responding to a capacity surge if we had to re-establish COVID+ SNF capacity or COVID strike teams to maintain acute care hospital capacity for people who need it most.

DSHS and the Health Care Authority are also seeking federal permission to establish presumptive eligibility for Medicaid long-term services and supports (LTSS) for patients discharging from acute care settings. This presumptive eligibility will come with a cost that we believe is well worth the investment.

Please see WSHA's issue brief on LTSS Consent for more information about a policy barrier to accessing long-term care decision-makers and a potential solution.

Updated: 12/15/2021

Proposed Solution

WSHA supports additional public investment to address the top reasons for patients' inability to access care in the most appropriate long-term care setting. Our proposed solution comes in the form of a package of investments in various parts of the long-term care system.

Fund Additional HCS Staff for Acute Care Hospital Transitions

DSHS acknowledges the delay in assessments by HCS staff and has requested funding to hire 12.0 FTEs for acute care hospital transition staff. WSHA strongly supports their proposal. The agency states that "without dedicated staff, the case management and transition coordination necessary to respond to increasing demands for expedited eligibility determination and service planning will not take place for the complex individuals with transition barriers in need of community resources."

Fund Public Guardianships for Low-Income Patients

DSHS does not have the authority to compensate guardians for low-income patients in need of guardians to consent to long-term care decisions. However, the Office of Public Guardianship (OPG) is designed to fund guardians for low-income Washingtonians and is administered by the court system. DSHS and OPG have partnered with the Health Care Authority (HCA) to request funding as a part of the Medicaid Transformation Project (MTP) 1115 Waiver renewal to compensate OPG-contracted guardians that provide the decision-making support during times of transition when a guardian may be necessary to provide informed consent. WSHA supports this proposal.

Continue Discharge Incentives Introduced During the Public Health Emergency

DSHS Incentives: During the COVID-19 pandemic, DSHS began offering one-time discharge incentives to nursing facilities, assisted living facilities and adult family homes to accept patients ready to be discharged from hospitals. These incentives have successfully increased the number of long-term care providers accepting patients from hospitals. These DSHS-funded incentives were structured as follows:

Facility Type	Eligibility	Amount
SNF	Dually eligible for Medicaid/Medicare	$6,000
ALF/AFH	59 days or less since HCS referral	$3,000
ALF/AFH	60 days or more since HCS referral	$6,000

WSHA supports continuing these incentive programs beyond the public health emergency declaration to ensure that patients continue to receive care in the appropriate setting after the pandemic recedes.

HCA Incentives: HCA also provided $6,000 one-time discharge incentives for Medicaid-only members in need of skilled nursing care during the pandemic. WSHA also supports continuation of these incentives through the remainder of the biennium.

Continue COVID + SNF Units

During the public health emergency, DSHS provided funding for additional skilled nursing facility capacity for patients who had acquired COVID-19. This was necessary to provide more capacity in hospitals for the sickest patients who were not otherwise in need of LTSS and allows hospitals to transfer patients who no longer require hospitalization but are still testing positive for COVID. To be prepared for subsequent COVID-19 surges, we believe funding for these facilities should remain in place throughout the remainder of the biennium.

Continue and Expand COVID Strike Teams

DSHS is currently deploying strike teams comprised of RNs, LPNs, and CNAs to work in long-term care facilities facing staff shortages during COVID surges. The teams total 60 staff people. WSHA advocates expanding the strike teams to 300 staff to meet current and anticipated needs in communities across the state.

Institute Presumptive Eligibility for Medicaid LTSS

DSHS has again partnered with HCA to request inclusion of presumptive eligibility for Medicaid LTSS in the Medicaid Transformation Project 1115 Waiver renewal. This agency request would apply presumptive eligibility to individuals applying for all LTSS, including in-home and community-based residential settings. This would allow applicants to access LTSS prior to completion of a final financial eligibility determination and a full functional eligibility assessment, thus expediting access to care in the most appropriate setting.

Budget Ask

$46 million general fund-state ($94 million total) to support this package of initiatives to bolster the LTSS system to ensure patients have access to the right array of LTSS when and where they need them.

Initiative	Agency	Summary	Total state funds per biennium *(dollars in thousands)*	Total federal funds per biennium *(dollars in thousands)*
HCS staff support for assessors	DSHS	Funding for 12.0 FTE for acute care hospital transition staff.	$1,078	$1,077
Fund public guardianships	HCA	Funding for 102 additional guardianship slots through the OPG (increasing to 200 in subsequent biennia). *This is part of the Medicaid Transformation Project Waiver renewal.*	$424 ***(Increases to $832 in subsequent biennia)*** *These are local/IGT funds. No GF-S needed.*	$423 ***(Increases to $832 In subsequent biennia)***
DSHS hospital discharge incentives	DSHS	$3,000-6,000 one-time discharge incentive payments to LTSS providers per the table above. Likely to serve 295 incentive slots per month for the remainder of the biennium.	$14,580	$14,580
HCA hospital discharge incentives	HCA	$6,000 one-time discharge incentive payments and $100/day/patient rate enhancement to SNFs for Medicaid members discharging from acute care hospitals. Likely to serve 1,820 clients per year.	$8,190	$8,190
COVID+ SNF Units	DSHS	To ensure we are prepared for COVID surges that may arise outside of a declared public health emergency, WSHA recommends investing to maintain COVID+ SNF units that were opened and funded during the public health emergency. Current monthly spend is $1,620/month for 150 slots per month.	$22,162	$6,998 *This is a 76%/24% state/federal match.*
COVID Strike Teams	DSHS	Expand COVID strike teams to 300 staff.	$0	*$7,500* *Assumes strike teams can be funded w/ federal pandemic relief funding.*

Presumptive eligibility for LTSS	HCA	Expand presumptive eligibility for all those requesting Medicaid LTSS. FY23 would serve 512 clients phased in over 12 months. FY24 continues the phase until we reach 800 in December 2023 with a cost of $25.9M total funds. FY25 has all slots phased in with ongoing costs of $27.3M total funds. *This is part of the Medicaid Transformation Project Waiver renewal.*	$4,007 **(*Increases to $13,500 in subsequent biennia*)** *These are local/IGT funds. No GF-S needed.*	$4,006 ***(Increases to $13,500 in subsequent biennia*)**

Other Funding Requests WSHA Supports

The entire long-term care system requires additional support to meet the needs of an aging population, ensuring that people in need of LTSS have a safe place to live and recover when they are no longer in need of acute care services. In addition to our top funding priorities to address the problem of patients with unnecessarily long lengths of stay listed above, WSHA also supports the long-term care providers' request for **$21 million to increase Medicaid payment rates for assisted living facilities** to 77% of cost and **$96 million to increase skilled nursing facility Medicaid payment rates** by 5.4% and increase wages for low-wage workers.

Key Messages

- Acute care hospital beds are a finite, expensive resource. Patients who need acute care need access to these beds, especially in a critical time like the current COVID-19 pandemic or during future emergencies. Patients who need post-acute care should be discharged to appropriate community settings.

- Finding appropriate care for patients who no longer require care hospital services is a top priority for all hospitals in Washington State, regardless of size, geographic location or specialty. This was a need prior to the pandemic, but it has been both highlighted and exacerbated since March 2020.

- The LTSS system of care needs public investment—both to meet current needs and in anticipation of the aging population. These initiatives provide a strong starting point for necessary system improvements.

- WSHA has worked closely with state agencies to understand concrete and realistic budget needs for the recommended initiatives.

- Much of the requested budget allocations can be federally funded, either through pandemic relief funding, Medicaid waiver funding or Medicaid matching funds.

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