



2017
ISSUE BRIEF

HB 1854: Increase timely placement for Medicaid patients in skilled nursing homes

Incentivize Appropriate and Timely Patient Transfers from Acute Care to Skilled Nurse Facilities

Hospitals excel at providing acute care for patients in need of immediate, intensive or emergency care. Some patients are not ready to go directly home from the hospital and need to transition to a skilled nursing facility (SNF) to receive specialized care and rehabilitation. Unfortunately, some post-acute patients, especially Medicaid patients, are essentially “stuck” in hospitals when a SNF bed cannot be found. Some of these patients have complex needs and appropriate placement would be at a facility that can accommodate them.

Patients deserve the right care, at the right place and time

Many hospitals have a significant number of patients who stay at the hospital long after their inpatient care is complete. They are ready to go to another care setting, but remain in the hospital. The hospital is no longer the right place for the patient and keeping a patient there uses a valuable community resource in hospitals that are already running at or near capacity.

Medicaid plans are responsible for moving Medicaid patients into skilled nursing

Post-acute care services, including SNFs, are a Medicaid benefit. The plans are responsible for arranging placement of patients in SNFs and facilitating timely and appropriate transitions. The Health Care Authority should closely supervise and enforce this timely placement obligation.

Provider networks should include skilled nursing capacity

Medicaid managed care plans have the responsibility to assemble an adequate and appropriate network of covered post-acute providers, including SNFs that can accommodate complex patients. This obligation should be monitored and enforced by the Health Care Authority.



Medicaid plans must meet their obligation to place patients in the most appropriate care setting, including skilled nursing facilities.

Current rates do not incentivize timely placement of Medicaid patients in skilled nursing

Hospitals are paid a set rate, called the administrative day rate, when a Medicaid patient is clinically ready for discharge but remains in the hospital. This rate, based on the annual statewide average SNF Medicaid rate, is currently \$185 per day. The rate is often less than the amount plans pay for the patient to receive care at a SNF. This creates an incentive to leave a patient in the hospital.

To properly align incentives, the plans should pay additional fees to the state when the plan has not found SNF placement within a reasonable time period. The fee should increase incrementally with the length of the unnecessary patient stay in the hospital, topping out after 30 days. While the hospital continues to receive only the standard amount, the additional fees paid to the state would provide an added incentive to move the patient to a more appropriate setting.

WSHA position

WSHA supports creating incentives for Medicaid plans to find placement in a skilled nursing facility within a reasonable time period for a patient who no longer needs care in the hospital.