

# SENATE BILL REPORT

## E2SHB 1330

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As of March 28, 1995

**Title:** An act relating to health facilities and services.

**Brief Description:** Modifying health facility and services provisions.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Dyer, Dellwo and Backlund; by request of Department of Health).

**Brief History:**

**Committee Activity:** Health & Long-Term Care: 3/28/95.

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### SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

**Staff:** Rhoda Jones (786-7198)

**Background:** Since 1971 the state has required that new health care facilities and services must go through an extensive review process called Certificate of Need (CON) before commencing construction. To obtain a CON, the applicant must prove that the community needs this service and that the proposal is the best way to meet the needs. The applicant must also demonstrate financial feasibility and show the new service will be able to deliver high-quality health care.

Currently, a CON review is required for the construction or development of hospitals, nursing homes, home health and hospice agencies, kidney dialysis centers and ambulatory surgical centers.

CON reviews are also required in the following situations:

- \* Sale, purchase or lease of a hospital;
- \* Increase in the number of licensed beds at a hospital or nursing home;
- \* Increase in the number of kidney dialysis stations;
- \* Nursing home capital expenditure exceeding \$1.2 million ;
- \* New tertiary health services such as open heart surgery, burn units, and organ transplant programs.

Ambulatory surgical centers (ASC) are facilities that perform outpatient surgery on patients who may receive general anesthesia, but go home within 24 hours. An increasing number of surgical procedures are being performed at ASCs. Presently, the state does not regulate ASCs.

**Summary of Bill:** Effective July 1, 1996, Certificates of Need are no longer required for constructing or developing new hospitals, purchasing, selling or leasing existing hospitals, ambulatory surgical centers, home health and hospice agencies operated by the smaller of two hospital districts in counties with populations under 20,000. (Those affected are Adams, Lincoln, Pend Oreille, Jefferson and Klickitat.)

Certificates of Need are still required for constructing or developing new nursing homes, kidney dialysis centers, home health and hospice agencies in most areas of the state, and tertiary care services provided on an intermittent basis.

A study by the Department of Health, in cooperation with the House Health Care Committee, must evaluate the state's future role in evaluating community needs for new health facilities and services. This group must report its recommendations to the Legislature by December 1, 1995.

The Department of Health establishes licensure standards for construction, maintenance, and operation of ambulatory surgical centers. ASCs include any free-standing distinct entity operating primarily to perform outpatient procedures. Hospitals, physician, osteopathic physicians, dental or podiatry offices are excluded from these licensure requirements unless practitioners from outside are allowed to use the facility.

License renewal is set of two years. The department inspects the center at least once during that period. Compliance surveys conducted by approved accrediting or certifying bodies can be used in lieu of department conducted surveys in certain instances.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** Sections 1 through 6 and 8 of the bill take effect July 1, 1996. Sections 12 through 22 take effect July 1, 1995.