

# HOUSE BILL REPORT

## SHB 1586

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*As Passed Legislature*

**Title:** An act relating to continuing care retirement communities.

**Brief Description:** Providing criteria for exempting continuing care retirement communities.

**Sponsor(s):** By House Committee on Health Care (originally sponsored by Representatives D. Sommers, Prentice, Moyer, Paris, Braddock and Franklin).

**Brief History:**

Reported by House Committee on:  
Health Care, February 27, 1991, DPS.  
Passed House, March 12, 1991, 97-0;  
Amended by Senate;  
Passed Legislature, 94-0.

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**HOUSE COMMITTEE ON  
HEALTH CARE**

**Majority Report:** *That Substitute House Bill No. 1586 be substituted therefor, and the substitute bill do pass.*  
Signed by 11 members: Representatives Braddock, Chair; Day, Vice Chair; Moyer, Ranking Minority Member; Casada, Assistant Ranking Minority Member; Cantwell; Edmondson; Franklin; Morris; Paris; Prentice; and Sprenkle.

**Staff:** John Welsh (786-7133).

**Background:** A continuing care retirement community is a retirement home that provides shelter, and generally health or personal care services, by contract to a resident for the duration of the person's life or for a fixed term.

A continuing care retirement community is subject to the state Certificate of Need Law, which requires the prior review and approval by the secretary of health for the development and construction of the retirement home, as well as any nursing facility connected with it.

However, continuing care retirement communities are exempt where they: 1) serve only contractual members; 2) provide a guaranteed range of services; 3) assume responsibility for costs of service; 4) have existed since January 1, 1988

operating a nursing home; 5) relieve the Department of Social and Health Services of any financial liability for services to members; 6) do not operate any nursing home beds in excess of one for every four living units; and 7) have not increased the number of nursing home beds after January 1, 1988 without a professional review of pricing and long term solvency that is fully disclosed to the members.

**Summary of Bill:** Continuing care retirement communities no longer require a Certificate of Need review for development and construction.

The nursing home portion is still reviewable however, but exemption is provided for continuing care retirement communities that: 1) serve only contractual members; 2) provide a guaranteed range of services; 3) assume responsibility for costs of service; 4) existed since January 1, 1988 operating a nursing home; 5) relieve the department of any financial liability for services to members; 6) do not operate any nursing home beds in excess of one for every four living units; and 7) have obtained a professional review of pricing and long term solvency.

In order to qualify for an exemption from Certificate of Need, a continuing care retirement community must document that it qualifies for an exemption.

**Fiscal Note:** Available.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** Review of continuing care retirement communities, which are essentially retirement homes, should not be reviewable under the state Certificate of Need law, because they have no effect on the costs of health care. The purpose of this law is to contain health care costs by preventing the duplication of major health facilities and services.

**Testimony Against:** None.

**Witnesses:** Cathy Wiggins, Department of Social & Health Services (supports substitute); Sherman Cox, Department of Health (pro); and Karen Tynes, Washington Association of Homes for the Aging (pro).