

# HOUSE BILL REPORT

## HB 1024

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### As Reported By House Committee On: Health Care

**Title:** An act relating to the notice requirements for bringing beds out of the bank under certificate of need provisions.

**Brief Description:** Shortening the notice time given by nursing homes to the department of health to convert beds back to nursing home beds.

**Sponsors:** Representatives Dyer, Cody, Skinner, Sherstad, Thompson, Carlson, D. Sommers, Sterk, Huff, L. Thomas, Cooke, Dunn, Mielke, Clements and Backlund.

**Brief History:**

**Committee Activity:**

Health Care: 1/28/97, 1/31/97 [DPS].

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### HOUSE COMMITTEE ON HEALTH CARE

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Dyer, Chairman; Backlund, Vice Chairman; Skinner, Vice Chairman; Cody, Ranking Minority Member; Murray, Assistant Ranking Minority Member; Anderson; Conway; Parlette; Sherstad; Wood and Zellinsky.

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

**Background:** The Certificate of Need program is administered by the Department of Health as a cost containment program designed to ensure the construction, development, or acquisition of only those new health care facilities and services which promote access to high quality and needed care at reasonable costs. Nursing homes are among the facilities covered under the Certificate of Need law.

A Certificate of Need is required of a nursing home in order to increase the number of nursing home beds in the facility. However, the law provides that a nursing home may bank— or hold in reserve any current beds in order to use the space for other related purposes that enhance the quality of life for residents.

If construction is required to restore the banked– beds, notice of intent to reconvert must be given to the department no later than two years prior to the modification. Otherwise, a one-year notice is required.

An exemption from the requirement of a Certificate of Need is provided for Christian Science sanatoriums.

**Summary of Substitute Bill:** A nursing home is required to give to the Department of Health a notice of intent to restore beds banked– or held in reserve, at least 90 days prior to the modification. If construction costing more than \$1.2 million is required for the conversion of the beds back, the notice of intent must be made at least one year prior to the modification.

The religious exemption from the requirement for a Certificate of Need is clarified by recognizing any health facility or institution which relies exclusively upon treatment by prayer or spiritual means in accordance with the creed or tenets of any well-recognized church or religious denomination.

**Substitute Bill Compared to Original Bill:** The 90-day requirement for notice is modified to provide for a one-year notice if construction costing over \$1.2 million is involved for the conversion of beds. The religious exemption is clarified.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** Legal requirements for notice to the department should be streamlined to provide greater flexibility for nursing homes when converting services. The department can amply verify within that timeline the regularities in the process.

**Testimony Against:** None.

**Testified:** Scott Sigmon, Washington Health Care Association; and Denise Gaither, Aging and Adult Services Administration, Department of Social & Health Services (pro w/amendment).