

SHB 2851 - H AMD 916

By Representative Cody

ADOPTED 02/14/2004

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 70.38.105 and 1996 c 50 s 1 are each amended to read
4 as follows:

5 (1) The department is authorized and directed to implement the
6 certificate of need program in this state pursuant to the provisions of
7 this chapter.

8 (2) There shall be a state certificate of need program which is
9 administered consistent with the requirements of federal law as
10 necessary to the receipt of federal funds by the state.

11 (3) No person shall engage in any undertaking which is subject to
12 certificate of need review under subsection (4) of this section without
13 first having received from the department either a certificate of need
14 or an exception granted in accordance with this chapter.

15 (4) The following shall be subject to certificate of need review
16 under this chapter:

17 (a) The construction, development, or other establishment of a new
18 health care facility;

19 (b) The sale, purchase, or lease of part or all of any existing
20 hospital as defined in RCW 70.38.025;

21 (c) Any capital expenditure for the construction, renovation, or
22 alteration of a nursing home which substantially changes the services
23 of the facility after January 1, 1981, provided that the substantial
24 changes in services are specified by the department in rule;

25 (d) Any capital expenditure for the construction, renovation, or
26 alteration of a nursing home which exceeds the expenditure minimum as
27 defined by RCW 70.38.025. However, a capital expenditure which is not
28 subject to certificate of need review under (a), (b), (c), or (e) of
29 this subsection and which is solely for any one or more of the
30 following is not subject to certificate of need review:

1 (i) Communications and parking facilities;
2 (ii) Mechanical, electrical, ventilation, heating, and air
3 conditioning systems;
4 (iii) Energy conservation systems;
5 (iv) Repairs to, or the correction of, deficiencies in existing
6 physical plant facilities which are necessary to maintain state
7 licensure, however, other additional repairs, remodeling, or
8 replacement projects that are not related to one or more deficiency
9 citations and are not necessary to maintain state licensure are not
10 exempt from certificate of need review except as otherwise permitted by
11 (d)(vi) of this subsection or RCW 70.38.115(13);
12 (v) Acquisition of equipment, including data processing equipment,
13 which is not or will not be used in the direct provision of health
14 services;
15 (vi) Construction or renovation at an existing nursing home which
16 involves physical plant facilities, including administrative, dining
17 areas, kitchen, laundry, therapy areas, and support facilities, by an
18 existing licensee who has operated the beds for at least one year;
19 (vii) Acquisition of land; and
20 (viii) Refinancing of existing debt;
21 (e) A change in bed capacity of a health care facility which
22 increases the total number of licensed beds or redistributes beds among
23 acute care, nursing home care, and boarding home care if the bed
24 redistribution is to be effective for a period in excess of six months,
25 or a change in bed capacity of a rural health care facility licensed
26 under RCW 70.175.100 that increases the total number of nursing home
27 beds or redistributes beds from acute care or boarding home care to
28 nursing home care if the bed redistribution is to be effective for a
29 period in excess of six months. A health care facility certified as a
30 critical access hospital under 42 U.S.C. 1395i-4 may increase its total
31 number of licensed beds to the total number of beds permitted under 42
32 U.S.C. 1395i-4 for acute care and may redistribute beds permitted under
33 42 U.S.C. 1395i-4 among acute care and nursing home care without being
34 subject to certificate of need review. If there is a nursing home
35 licensed under chapter 18.51 RCW within twenty-seven miles of the
36 critical access hospital, the critical access hospital is subject to
37 certificate of need review except for:

1 (i) Critical access hospitals which had designated beds to provide
2 nursing home care, in excess of five swing beds, prior to December 31,
3 2003; or

4 (ii) Up to five swing beds.

5 Critical access hospital beds not subject to certificate of need
6 review under this subsection (4)(e) will not be counted as either acute
7 care or nursing home care for certificate of need review purposes. If
8 a health care facility ceases to be certified as a critical access
9 hospital under 42 U.S.C. 1395i-4, the hospital may revert back to the
10 type and number of licensed hospital beds as it had when it requested
11 critical access hospital designation;

12 (f) Any new tertiary health services which are offered in or
13 through a health care facility or rural health care facility licensed
14 under RCW 70.175.100, and which were not offered on a regular basis by,
15 in, or through such health care facility or rural health care facility
16 within the twelve-month period prior to the time such services would be
17 offered;

18 (g) Any expenditure for the construction, renovation, or alteration
19 of a nursing home or change in nursing home services in excess of the
20 expenditure minimum made in preparation for any undertaking under
21 subsection (4) of this section and any arrangement or commitment made
22 for financing such undertaking. Expenditures of preparation shall
23 include expenditures for architectural designs, plans, working
24 drawings, and specifications. The department may issue certificates of
25 need permitting predevelopment expenditures, only, without authorizing
26 any subsequent undertaking with respect to which such predevelopment
27 expenditures are made; and

28 (h) Any increase in the number of dialysis stations in a kidney
29 disease center.

30 (5) The department is authorized to charge fees for the review of
31 certificate of need applications and requests for exemptions from
32 certificate of need review. The fees shall be sufficient to cover the
33 full cost of review and exemption, which may include the development of
34 standards, criteria, and policies.

35 (6) No person may divide a project in order to avoid review
36 requirements under any of the thresholds specified in this section."

EFFECT: Requires critical access hospitals within 27 miles of a nursing home to undergo the certificate of need review process except: Where the hospital had designated nursing home care beds before December 31, 2003, or for up to five swing beds.

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