

**SHB 2669 - H AMD 742**

By Representative Curtis

**WITHDRAWN 2/13/2006**

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

3 "NEW SECTION. **Sec. 1.** In recognition of the complex issues  
4 that are raised by the addition of specialty hospitals in  
5 communities throughout the nation, the federal government  
6 established an eighteen- month moratorium that effectively  
7 prevented the establishment of any new physician-owned specialty  
8 hospitals reimbursed under medicare and other federal health  
9 programs. During the moratorium several federal agencies and  
10 private research organizations reviewed the potential impacts of  
11 these types of hospitals on the health care system. Among the  
12 recommendations, the medicare payment advisory commission urged the  
13 continuation of the federal moratorium through January 1, 2007.

14 In Washington state a task force has been convened to review  
15 the certificate of need program and report to the legislature by  
16 November 2006. This task force will be providing recommendations  
17 on several topics specific to Washington state's certificate of  
18 need program including the appropriate coverage of specialty  
19 hospitals under the program. The legislature finds that it would  
20 be premature to take any action with respect to the regulation of  
21 specialty hospitals before the issuance of the task force report.

22 **Sec. 2.** 2005 c 39 s 2 (uncodified) is amended to read as  
23 follows:

24 (1) From January 1, 2005, until July 1, (( 2006)) 2010, no  
25 specialty hospital in which a physician, or an immediate family  
26 member of a physician, has an ownership or investment interest  
27 shall be granted a license under chapter 70.41 RCW.

28 (2) For the purposes of this section:

29 (a) "Specialty hospital" means a subclass of hospital that is  
30 primarily or exclusively engaged in the care and treatment of one

1 of the following categories: (i) Patients with a cardiac  
2 condition; (ii) patients with an orthopedic condition; (iii)  
3 patients receiving a surgical procedure; and (iv) any other  
4 specialized category of services that the secretary of health and  
5 human services designates as a specialty hospital.

6 (b) An ownership or investment interest in a specialty hospital  
7 may be through equity, debt, or other means and includes an  
8 interest in an entity that holds an ownership or investment  
9 interest in a specialty hospital.

10 **Sec. 3.** 2005 c 39 s 3 (uncodified) is amended to read as  
11 follows:

12 This act expires July 1, (~~2006~~) 2010."

13 Correct the title.

**EFFECT:** Removes all licensing requirements for specialty hospitals and extends the present statewide moratorium on the issuance of licenses to specialty hospitals by four additional years until July 1, 2010.