

FINAL BILL REPORT

E2SHB 1688

C 283 L 05

Synopsis as Enacted

Brief Description: Studying and preparing recommendations to improve and update the certificate of need program.

Sponsors: By House Committee on Appropriations (originally sponsored by Representatives Cody, Clibborn, Moeller, Sommers, Kenney and Schual-Berke).

House Committee on Health Care

House Committee on Appropriations

Senate Committee on Health & Long-Term Care

Senate Committee on Ways & Means

Background:

A certificate of need from the Department of Health (Department) is required prior to: the construction, renovation, or sale of a health care facility; changes in bed capacity at certain health care facilities; an increase in the number of dialysis stations at a kidney disease center; or the addition of specialized health services. The Department must consider specific criteria when determining whether or not to issue a certificate of need including: (1) the population's need for the service; (2) the availability of less costly or more effective alternative methods of providing the service; (3) the financial feasibility and probable impact of the proposal on the cost of health care in the community; (4) the need for, and availability of, services and facilities for physicians and their patients in the community; (5) the efficiency and appropriateness of the use of existing services and facilities similar to those proposed; and (6) improvements in the financing and delivery of health services that contain costs and promote quality assurance.

The Health Care Facilities Authority is authorized to issue bonds to finance projects by health care facilities, including the purchase, construction, or renovation of a facility. If the project requires that a certificate of need review be obtained, then the certificate must be issued before a financing plan may be adopted.

Summary:

A task force is established to make recommendations to the Governor and the Legislature related to improving and updating the certificate of need program. The task force is composed of four members of the Legislature, the Secretary of Health, a representative of the Health Care Authority, a representative of the Department of Social and Health Services, a health economist, and representatives of private employer-sponsored health benefits purchasers, labor organizations, health carriers, health care consumers, and health care providers. The task

force may consult with an advisory committee that consists of representatives of health care providers and facilities.

The task force must consider several guiding principles when developing its recommendations. These principles provide that:

- The supply of health services impacts the utilization of those services independent of the need for the services.
- Consideration must be given to the impact of new health services or facilities on overall health expenditures.
- Consideration must be given to the likelihood that a new health facility, service, or equipment will improve health care quality or outcomes.
- It is presumed that the services and facilities currently subject to certificate of need should continue to be subject to it.

The task force must make recommendations by November 1, 2006, related to: the scope of facilities, services and capital expenditures that should be subject to certificate of need reviews; the criteria for reviewing certificate of need applications; the need for service and facility specific policies to guide certificate of need decisions; the purpose of the certificate of need program; the timeliness and consistency of certificate of need decisions; and mechanisms to monitor commitments made by health care facilities. The recommendations may consider the results of a study of the certificate of need program to be performed by the Joint Legislative Audit and Review Committee.

Votes on Final Passage:

House	71	25	
Senate	34	11	(Senate amended)
House	80	18	(House concurred)

Effective: July 24, 2005