
Health Care Committee

HB 1688

Brief Description: Creating a task force to review the certificate of need program and the health care facilities bonding program.

Sponsors: Representatives Cody, Clibborn, Moeller, Sommers, Kenney and Schual-Berke.

Brief Summary of Bill

- Establishes a task force to make recommendations regarding the coverage of facilities and services under the certificate of need program and the criteria used to review those applications.
- Places a two-year moratorium on the issuance of bonds and certificates of need for health care facilities.

Hearing Date: 2/24/05

Staff: Chris Blake (786-7392).

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 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 (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 of Bill:

A task force is established to make recommendations to the Governor and the Legislature related to improving and updating the certificate of need program and the health care facilities bonding program. The task force is composed of four members of the Legislature, the Secretary of Health (Secretary), a health economist, and representatives of private employer-sponsored health benefits purchasers, labor organizations, health carriers, health care consumers, and state-purchased health care programs. The task force shall 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.
- Principles of evidence-based medicine should be a substantial factor in reviewing requests to acquire new technologies.
- 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.

The task force must make recommendations 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 and requests for the issuance of bonds by the Authority; and mechanisms to monitor commitments made by health care facilities.

A two year moratorium is placed upon the issuance of bonds by the Health Care Facilities Authority and certificates of need by the Department of Health.

Appropriation: None.

Fiscal Note: Requested on February 19, 2005.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.