
HOUSE BILL 2464

State of Washington 59th Legislature 2006 Regular Session

By Representatives Curtis, Moeller and Cody

Prefiled 1/6/2006. Read first time 01/09/2006. Referred to
Committee on Health Care.

1 AN ACT Relating to specialty hospitals; amending 2005 c 39 s 2
2 (uncodified); amending 2005 c 39 s 3 (uncodified); and creating a new
3 section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

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

15 In Washington state a task force has been convened to review the
16 certificate of need program and report to the legislature by November
17 2006. This task force will be providing recommendations on several
18 topics specific to Washington state's certificate of need program
19 including the appropriate coverage of specialty hospitals under the

1 program. The legislature finds that it would be premature to take any
2 action with respect to the regulation of specialty hospitals before the
3 issuance of the task force report.

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

5 (1) From January 1, 2005, until July 1, (~~2006~~) 2007, no specialty
6 hospital in which a physician, or an immediate family member of a
7 physician, has an ownership or investment interest shall be granted a
8 license under chapter 70.41 RCW.

9 (2) For the purposes of this section:

10 (a) "Specialty hospital" means a subclass of hospital that is
11 primarily or exclusively engaged in the care and treatment of one of
12 the following categories: (i) Patients with a cardiac condition; (ii)
13 patients with an orthopedic condition; (iii) patients receiving a
14 surgical procedure; and (iv) any other specialized category of services
15 that the secretary of health and human services designates as a
16 specialty hospital.

17 (b) An ownership or investment interest in a specialty hospital may
18 be through equity, debt, or other means and includes an interest in an
19 entity that holds an ownership or investment interest in a specialty
20 hospital.

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

22 This act expires July 1, (~~2006~~) 2007.

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