

2SHB 1021 - S AMD 373

By Senators Pflug, Keiser

ADOPTED 04/14/2009

1 On page 3, after line 5, insert the following:

2 "Sec. 3. RCW 70.38.105 and 2009 c ... (ESB 5423) s 1 are each
3 amended to read as follows:

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

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

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

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

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

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

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

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

30 (i) Communications and parking facilities;

1 (ii) Mechanical, electrical, ventilation, heating, and air
2 conditioning systems;

3 (iii) Energy conservation systems;

4 (iv) Repairs to, or the correction of, deficiencies in existing
5 physical plant facilities which are necessary to maintain state
6 licensure, however, other additional repairs, remodeling, or
7 replacement projects that are not related to one or more deficiency
8 citations and are not necessary to maintain state licensure are not
9 exempt from certificate of need review except as otherwise permitted by
10 (d)(vi) of this subsection or RCW 70.38.115(13);

11 (v) Acquisition of equipment, including data processing equipment,
12 which is not or will not be used in the direct provision of health
13 services;

14 (vi) Construction or renovation at an existing nursing home which
15 involves physical plant facilities, including administrative, dining
16 areas, kitchen, laundry, therapy areas, and support facilities, by an
17 existing licensee who has operated the beds for at least one year;

18 (vii) Acquisition of land; and

19 (viii) Refinancing of existing debt;

20 (e) A change in bed capacity of a health care facility which
21 increases the total number of licensed beds or redistributes beds among
22 acute care, nursing home care, and boarding home care if the bed
23 redistribution is to be effective for a period in excess of six months,
24 or a change in bed capacity of a rural health care facility licensed
25 under RCW 70.175.100 that increases the total number of nursing home
26 beds or redistributes beds from acute care or boarding home care to
27 nursing home care if the bed redistribution is to be effective for a
28 period in excess of six months. A health care facility certified as a
29 critical access hospital under 42 U.S.C. 1395i-4 may increase its total
30 number of licensed beds to the total number of beds permitted under 42
31 U.S.C. 1395i-4 for acute care and may redistribute beds permitted under
32 42 U.S.C. 1395i-4 among acute care and nursing home care without being
33 subject to certificate of need review. If there is a nursing home
34 licensed under chapter 18.51 RCW within twenty-seven miles of the
35 critical access hospital, the critical access hospital is subject to
36 certificate of need review except for:

37 (i) Critical access hospitals which had designated beds to provide

1 nursing home care, in excess of five swing beds, prior to December 31,
2 2003;

3 (ii) Up to five swing beds; or

4 (iii) Up to twenty-five swing beds for critical access hospitals
5 which do not have a nursing home licensed under chapter 18.51 RCW
6 within the same city or town limits. (~~No more than~~) Up to one-half
7 of the additional beds designated for swing bed services under this
8 subsection (4)(e)(iii) may be so designated before July 1, (~~2009~~)
9 2010, with the balance designated (~~no sooner than~~) on or after July
10 1, 2010.

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

18 (f) Any new tertiary health services which are offered in or
19 through a health care facility or rural health care facility licensed
20 under RCW 70.175.100, and which were not offered on a regular basis by,
21 in, or through such health care facility or rural health care facility
22 within the twelve-month period prior to the time such services would be
23 offered;

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

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

36 (5) The department is authorized to charge fees for the review of
37 certificate of need applications and requests for exemptions from

1 certificate of need review. The fees shall be sufficient to cover the
2 full cost of review and exemption, which may include the development of
3 standards, criteria, and policies.

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

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6 On page 1, line 1 of the title, after "audits;" strike the
7 remainder of the title and insert "and amending RCW 70.41.120,
8 70.41.122, and 70.38.105."

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