

HOUSE BILL REPORT

EHB 1460

As Passed House:

March 6, 2009

Title: An act relating to critical access hospitals not subject to certificate of need reviews.

Brief Description: Regarding critical access hospitals not subject to certificate of need review.

Sponsors: Representatives Morrell, Anderson, Bailey and Cody.

Brief History:

Committee Activity:

Health Care & Wellness: 2/12/09, 2/19/09 [DP].

Floor Activity

Passed House: 3/6/09, 92-4.

Brief Summary of Engrossed Bill

- Exempts from the certificate of need process up to 25 beds in a critical access hospital that is located in a city or town without a nursing home in the city or town limits.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: Do pass. Signed by 10 members: Representatives Cody, Chair; Driscoll, Vice Chair; Ericksen, Ranking Minority Member; Campbell, Clibborn, Green, Kelley, Moeller, Morrell and Pedersen.

Minority Report: Do not pass. Signed by 3 members: Representatives Bailey, Herrera and Hinkle.

Staff: Jim Morishima (786-7191)

Background:

A certificate of need is required before:

- a health care facility may be constructed, renovated, or sold;
- the bed capacity at certain health care facilities is increased;

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- the number of dialysis stations at a kidney disease center is increased; or
- the addition of specialized health services.

When determining whether to issue a certificate of need, the Department of Health must consider:

- the population's need for the service;
- the availability of less costly or more effective methods of providing the service;
- the financial feasibility and probable impact of the proposal on the cost of health care in the community;
- the need and availability of services and facilities for physicians and patients in the community;
- the efficiency and appropriateness of the use of existing similar services and facilities; and
- improvements in the financing and delivery of health services that contain costs and promote quality assurance.

A critical access hospital (a hospital in a rural area serving medically an under-served area) may increase its total number of beds to the total permitted by federal law or redistribute its beds among acute and nursing care without obtaining a certificate of need. If, however, there is a licensed nursing home within 27 miles of the critical access hospital, the hospital is subject to certificate of need except for:

- up to five swing beds (hospital beds used for long-term care); or
- more than five swing beds, if the beds were designated to provide nursing home care prior to December 31, 2003.

Summary of Engrossed Bill:

A critical access hospital within 27 miles of a licensed nursing home is not subject to certificate of need review for up to 25 swing beds if there is no licensed nursing home within the same city or town limits as the hospital. No more than one-half of the swing beds authorized by this exemption may be designated prior to July 1, 2009. The balance may be designated no sooner than July 1, 2010.

Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support) Most hospitals currently have the flexibility to increase the number of swing beds to the maximum allowed by federal law without going through the certificate of need process. A few hospitals, however, do not have this flexibility because they are located within 27 miles of a nursing home; only five swing beds in these facilities are exempt. This has caused delays in care, frequent transfers, and patients being turned away. This bill will help hospitals to become a much-needed resource in this area, will keep patients near their

homes, will help hospitals expand the services they offer to geriatric patients, and will be a better use of taxpayer dollars.

(Opposed) There are nursing homes and skilled nursing facilities with available beds near the hospitals that would be affected by this bill. This bill will result in nursing homes losing patients, which will adversely affect their ability to stay in business. The current certificate of need process works; it provides a system of checks and balances. Hospitals should be required to show there is a need before they increase swing bed capacity. This bill circumvents the certificate of need process. Increasing the number of swing beds will lead to increased costs for the state, which is unwise in this budget environment.

Persons Testifying: (In support) Lisa Thatcher, Washington State Hospital Association; Rodger McCollum, Kim Witkop, and Karyn Denton, Snoqualmie Valley Hospital.

(Opposed) Lauri St. Ours, Washington Health Care Association; Bill Connell, Regency-Pacific; and Tim Lehner, Regency-Renton.

Persons Signed In To Testify But Not Testifying: None.