SENATE BILL REPORT
SB 6671

As of February 4, 2010

Title: An act relating to emergency departments that are not physically connected to a hospital.

Brief Description: Concerning emergency departments that are not physically connected to a hospital.

Sponsors: Senators Pflug, Marr and Keiser.

Brief History:
Committee Activity: Health & Long-Term Care: 1/27/10.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Staff: Edith Rice (786-7444)

Background: The Certificate of Need (CON) Program is operated by the Department of Health (DOH) under direction of the secretary's designee. A CON is required before a health care provider can offer certain new or expanded services. Some examples are the construction or sale of a hospital, or an increase in the number of licensed hospital or nursing home beds. The purpose for a CON process is to ensure that new services proposed by health care providers are needed within a particular region.

Health care provider CON applications must address the need for such services, the availability of less costly or more effective alternative methods of providing such services, financial feasibility and impact on health care costs in the community, quality assurance and cost effectiveness, as well as other factors. DOH is authorized to charge fees to cover the full cost for CON review or request for exemption.

Summary of Bill: The Legislature recognizes that hospital networks are expanding emergency outpatient services into freestanding emergency rooms in some communities. Overdevelopment has the potential to undermine hospitals in the same service area, especially where there may be a disparate impact as the result of referral patterns and business practices of the freestanding emergency room. A freestanding emergency room is an emergency department that is not physically connected or adjacent to a hospital.

The construction, development, or establishment of a freestanding emergency room is subject to the CON program. This includes the sale, purchase, or lease of part or all of any existing

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freestanding emergency room, and includes the continued operation of any freestanding emergency room established before July 1, 2010, upon the next relicensing period.

DOH will adopt rules establishing criteria for the issuance of a CON for freestanding emergency rooms by January 1, 2011.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Hospitals currently compete to grab more health care dollars. Creating stand-alone emergency rooms is another way to get more of those resources. It should come under some kind of control. At the very least there should be a moratorium on creating stand-alone emergency rooms until we can determine their impact. These ERs are not equipped to handle large scale emergencies and they duplicate existing services. This causes costs to go up for everyone. A review of these facilities with community involvement will help us better understand their impact.

CON: Stand-alone ERs can provide high level quality care to communities with a significant population growth. They are already subject to federal regulation; red tape will prohibit their development. A stand-alone ER is just one tool to provide quality care. The Washington State Hospital Association (WSHA) has members on both sides of this issue, but we think that the CON process should be fixed and running better before adding yet another task for them to perform.

Persons Testifying: PRO: Rick Green, Rodger McCollum, Snoqualmie Valley Hospital; Caitlin Hillary, Overlake Hospital; Dr. Joe Gifford, Regence Blue Shield.

CON: Dr. John Milne, Swedish Medical Center; Robb Menaul, WSHA.