

# SENATE BILL REPORT

## SB 5340

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As Reported by Senate Committee On:  
Health & Long-Term Care, February 14, 2011

**Title:** An act relating to restraining health care costs and promoting necessary, effective care.

**Brief Description:** Concerning the criteria for the review of certificate of need applications.

**Sponsors:** Senators Keiser, Pflug and Conway.

**Brief History:**

**Committee Activity:** Health & Long-Term Care: 2/09/11, 2/14/11 [DP, w/oRec].

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### SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

**Majority Report:** Do pass.

Signed by Senators Keiser, Chair; Conway, Vice Chair; Becker, Ranking Minority Member; Kline, Murray, Pflug and Pridemore.

**Minority Report:** That it be referred without recommendation.

Signed by Senator Carrell.

**Staff:** Kathleen Buchli (786-7488)

**Background:** The Certificate of Need (CON) program is a regulatory process that requires certain health care providers to obtain state approval before building certain types of facilities or offering new or expanded services. The CON process is intended to help ensure that facilities and new services proposed by health care providers are needed for quality patient care within a particular region or community. A CON review is required for the construction, development, or establishment of new health care facilities; the sale, purchase, or lease of part or all of any existing hospital; a capital expenditure for the construction, renovation, or alteration of a nursing home; change in bed capacity of a health care facility; new tertiary health services offered in or through a health care facility or rural health care facility; construction, renovation, or alteration of a nursing home; and any increase in the number of dialysis stations in a kidney disease center.

Criteria for the review of CON applications include consideration of the need that the population to be served has for such services; the availability of less costly or more efficient alternative methods of providing such services; the financial feasibility and the probable

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impact of the proposal on the cost of and charges for providing health services in the community to serve; and in the case of health services proposed to be provided, the efficiency and appropriateness of the use of existing services and facilities.

**Summary of Bill:** The criteria for the review of CON applications are modified. The CON must be denied if the proposal is likely to promote unnecessary, excessive utilization of a service in a geographic area.

**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:** None.

**Persons Testifying:** No one.