

# SENATE BILL REPORT

## SB 5514

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As of February 8, 2011

**Title:** An act relating to the health care facilities authority.

**Brief Description:** Concerning the health care facilities authority.

**Sponsors:** Senators Pflug and Keiser.

**Brief History:**

**Committee Activity:** Health & Long-Term Care: 2/09/11.

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

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

**Background:** The Washington Health Care Facilities Authority (Authority) was created by Legislature in 1974 to provide a new source of capital funding for modern, well equipped, and reasonably priced health care facilities. The Authority was further charged with minimizing costs of capital construction, as well as costs to the public for using health care facilities. The Authority offers tax exempt financing to eligible nonprofit health care facilities. Since its inception, the Authority has issued more than \$11 billion in tax exempt revenue bonds, and in 2009 provided nonprofit health care providers with a tax benefit valued at \$79 million.

The Authority is composed of elected and appointed executive branch officers and one member of the public. The Authority receives requests for the providing of bonds for financing of health care facilities, and must investigate and determine the need and the feasibility of providing such bonds. If deemed necessary or advisable for the benefit of the public health to provide financing for a health care facilities, it must adopt a financing plan and issue and sell bonds to carry out the plan. The Authority does not determine whether the project will deliver a community benefit.

**Summary of Bill:** Four legislative members are added to the Authority, one from each of the major caucuses in the House of Representatives and the Senate. The public member must have no fiduciary interest or responsibility toward any health care facility or organization. The Authority must adopt rules requiring an applicant to define the scope and details of the proposed capital project. The Authority must determine if the proposed project will deliver an essential community benefit and whether this will further the goal of cost containment.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Projects determined to not deliver an essential community benefit or to not further the goal of cost containment will be denied financing.

**Appropriation:** None.

**Fiscal Note:** Requested on February 7, 2011.

**Committee/Commission/Task Force Created:** No.

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