

# FINAL BILL REPORT

## EHB 2212

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C 22 L 15 E3  
Synopsis as Enacted

**Brief Description:** Exempting hospitals licensed under chapter 70.41 RCW that receive capital funds to operate new psychiatric services from certain certificate of need requirements.

**Sponsors:** Representatives Cody, Schmick and Fagan.

**House Committee on Capital Budget**  
**Senate Committee on Health Care**  
**Senate Committee on Ways & Means**

### **Background:**

#### Certificate of Need.

A certificate of need from the Department of Health (DOH) is required prior to the following: construction, renovation, or sale of a health care facility; changes in bed capacity at certain health care facilities; an increase in the number of dialysis stations at a kidney disease center; or the addition of specialized health services.

The DOH must consider specific criteria when determining whether to issue a certificate of need including: (1) the population's need for the service; (2) the availability of less costly or more effective alternative methods of providing the service; (3) the financial feasibility and probable impact of the proposal on the cost of health care in the community; (4) the need and availability of services and facilities for physicians and their patients in the community; (5) the efficiency and appropriateness of the use of existing services and facilities similar to those proposed; and (6) whether the hospital meets or exceeds the regional average level of charity care.

In 2014 the certificate of need requirement for acute care hospitals was suspended when the hospitals change the use of existing licensed beds to psychiatric care beds that include involuntary treatment. This suspension expires June 30, 2015.

#### Supreme Court Decision.

In August 2014 the Washington Supreme Court decided the case of *In re D.W.*, which involved 10 involuntary psychiatric patients who asked the Superior Court in Pierce County to hold that their detention in uncertified treatment beds was unlawful. The Supreme Court

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found that current Washington statutes and regulations do not authorize temporary certification of treatment beds as a response to overcrowding.

**Summary:**

Hospitals that receive grants awarded in fiscal years 2016 and 2017 for new psychiatric beds from the Department of Commerce are exempt from requesting a certificate of need. The Department of Commerce may not make prior approval of a certificate of need application a condition for a grant application.

The period for the exemption is two years from the date of the grant award. Any new beds added under the exemption must remain psychiatric beds unless a new certificate of need is granted. The authorization expires June 30, 2019.

**Votes on Final Passage:**

House 97 0

Second Special Session

House 97 0

Third Special Session

House 98 0

Senate 45 0

**Effective:** July 6, 2015