

# HOUSE BILL REPORT

## SSB 5569

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**As Passed House:**  
March 23, 2023

**Title:** An act relating to creating exemptions from certificate of need requirements for kidney disease centers due to temporary emergency situations.

**Brief Description:** Creating exemptions from certificate of need requirements for kidney disease centers.

**Sponsors:** Senate Committee on Health & Long Term Care (originally sponsored by Senators Rivers and Dozier).

**Brief History:**

**Committee Activity:**

Health Care & Wellness: 3/14/23, 3/17/23 [DP].

**Floor Activity:**

Passed House: 3/23/23, 98-0.

**Brief Summary of Substitute Bill**

- Establishes a partial exemption to the certificate of need process for kidney disease centers during temporary emergency situations.

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### HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

**Majority Report:** Do pass. Signed by 15 members: Representatives Riccelli, Chair; Bateman, Vice Chair; Schmick, Ranking Minority Member; Hutchins, Assistant Ranking Minority Member; Barnard, Bronoske, Davis, Graham, Harris, Macri, Mosbrucker, Orwall, Stonier, Thai and Tharinger.

**Staff:** Emily Poole (786-7106).

**Background:**

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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 part of the legislation nor does it constitute a statement of legislative intent.*

The Department of Health (Department) implements the Certificate of Need Program, which evaluates proposals by certain health care providers to expand health care activities and reviews the potential impact of the expansion on a community's need for the service. With certain exceptions, a certificate of need from the Department is required prior to the construction of a health care facility; the sale or purchase of a hospital; changes in bed capacity; an increase in the number of dialysis stations at a kidney disease treatment center; or the addition of specialized health services. Under the program, the Department reviews the project under specific criteria, including criteria related to community need, quality of services, financial feasibility, and the impact on health care costs in the community. A facility or service that is subject to the Certificate of Need Program must be approved prior to beginning operations.

A kidney disease treatment center is defined under the Certificate of Need Program as any place for providing services to persons who have end-stage renal disease. There are no state licensing requirements for kidney disease treatment centers, other than to obtain a certificate of need for the establishment of a new kidney disease treatment center, relocation of an existing kidney disease treatment center, or increase in the number of stations at a kidney disease treatment center.

#### **Summary of Bill:**

A kidney disease treatment center may be granted an exemption to exceed its authorized number of dialysis stations during a temporary emergency situation upon approval of the Department.

A temporary emergency situation is defined to include:

- natural disasters;
- power outages or water system shutdowns;
- mold remediations or other physical plant issues;
- staffing shortages that require kidney disease center reconfiguration to facilitate delivery of dialysis services as long as the facility does not exceed the number of patients served at the time of the exemption request; and
- any additional temporary emergency situations as included by the Department in rule.

In order to be granted an exemption, a kidney disease treatment center must make a request to the Department and include certain information, including:

- a description of the circumstances requiring the exemption;
- the number of additional dialysis stations required to meet patient needs; and
- an acknowledgment that patient safety is not being threatened, safety regulations will not be reduced, and the structural integrity of the building will not be impaired.

If an exemption is granted due to a staffing shortage, the exemption is valid for 90 days. Approval of an exemption does not authorize a kidney disease treatment center to

permanently increase the number of dialysis stations.

**Appropriation:** None.

**Fiscal Note:** Available.

**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) During the pandemic, the Governor issued an emergency proclamation that allowed kidney disease centers to change the number of dialysis stations as needed, so that they could be more efficient with space and scheduling. This bill would establish a permanent process for kidney disease centers to request temporary increases in the number of dialysis stations, and it would ensure that patients have continuous access to treatment. The demand for dialysis services has increased, while kidney disease centers' ability to recruit staff has decreased. The ability of patients to receive dialysis in outpatient centers removes pressure on hospitals. This bill would ensure that patients have access to services during emergencies. This bill gives kidney disease centers temporary flexibility to respond to staffing shortages.

(Opposed) None.

**Persons Testifying:** Nathaniel Brown, Northwest Kidney Council; Leslie Emerick, Fresenius Medical Care North America; Roman Daniels-Brown, DaVita; and Jessica Hostetler, Northwest Kidney Centers.

**Persons Signed In To Testify But Not Testifying:** None.