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**SUBSTITUTE SENATE BILL 5568**

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**State of Washington**

**69th Legislature**

**2025 Regular Session**

**By** Senate Health & Long-Term Care (originally sponsored by Senators Cleveland, Cortes, Nobles, and Riccelli)

READ FIRST TIME 02/14/25.

1 AN ACT Relating to updating and modernizing the Washington state  
2 health plan; amending RCW 43.370.010, 43.370.020, and 43.370.030; and  
3 creating a new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** (1) In 1987, as directed by the state  
6 health planning and resources development act, the state health  
7 coordinating council released the state health plan, which set forth  
8 objectives for the improvement of health status and development of  
9 health services in the state. The plan included recommendations on  
10 improving the health status of Washingtonians, improving access and  
11 quality of care, containing health care cost growth, and planning for  
12 long-term care needs.

13 (2) In 2006, the legislature created the blue ribbon commission  
14 on health care costs and access. The commission was tasked with  
15 developing a five-year plan for substantially improving access to  
16 affordable health care for all Washington residents. In 2007, the  
17 legislature enacted several recommendations from the commission  
18 including directing the office of financial management to develop a  
19 statewide health resources strategy to establish statewide health  
20 planning policies and goals related to the availability of health  
21 care facilities and services, quality of care, and cost of care.

1 Certificate of need determinations must be consistent with that  
2 strategy.

3 (3) In 2024, the legislature directed the department of health to  
4 conduct an analysis of the certificate of need program and report its  
5 findings and recommendations for statutory updates by June 30, 2025.  
6 Under this determination, the department must, at a minimum, consider  
7 other state approaches to certificates of need, impacts on access to  
8 care, cost control of health services, and equity, and approaches to  
9 identifying health care service needs at the statewide and community  
10 levels.

11 (4) The legislature intends to renew efforts to develop a  
12 sustainable state health plan and resource strategy by updating  
13 duties assigned to the office of financial management in chapter  
14 43.370 RCW.

15 **Sec. 2.** RCW 43.370.010 and 2007 c 259 s 50 are each amended to  
16 read as follows:

17 The definitions in this section apply throughout this chapter  
18 unless the context clearly requires otherwise.

19 (1) "Health care provider" means an individual who holds a  
20 license issued by a disciplining authority identified in RCW  
21 18.130.040 and who practices his or her profession in a health care  
22 facility or provides a health service.

23 (2) "Health facility" or "facility" means hospices licensed under  
24 chapter 70.127 RCW, hospitals licensed under chapter 70.41 RCW, rural  
25 health care facilities as defined in RCW 70.175.020, (~~psychiatric~~)  
26 behavioral health hospitals licensed under chapter 71.12 RCW, nursing  
27 homes licensed under chapter 18.51 RCW, community mental health  
28 centers licensed under chapter 71.05 or 71.24 RCW, kidney disease  
29 treatment centers under chapter 70.38 RCW, ambulatory diagnostic,  
30 treatment, or surgical facilities under chapter 70.230 RCW, drug and  
31 alcohol treatment facilities licensed under chapter (~~70.96A~~) 71.24  
32 RCW, and home health agencies licensed under chapter 70.127 RCW, and  
33 includes such facilities if owned and operated by a political  
34 subdivision, including a public hospital district, or instrumentality  
35 of the state and such other facilities as required by federal law and  
36 implementing regulations.

37 (3) "Health service" or "service" means that service, including  
38 primary care service, offered or provided by health care facilities

1 and health care providers relating to the prevention, cure, or  
2 treatment of illness, injury, or disease.

3 (4) "Health service area" means a geographic region appropriate  
4 for effective health planning that includes a broad range of health  
5 services.

6 (5) "Office" means the office of financial management.

7 (6) "Strategy" means the statewide health resources strategy.

8 **Sec. 3.** RCW 43.370.020 and 2010 1st sp.s. c 7 s 113 are each  
9 amended to read as follows:

10 (1) The office shall serve as a coordinating body for public and  
11 private efforts to improve quality in health care, promote cost-  
12 effectiveness in health care, and plan health facility and health  
13 service availability. In addition, the office shall facilitate access  
14 to health care data collected by public and private organizations as  
15 needed to conduct its planning responsibilities.

16 (2) The office shall:

17 (a) Conduct strategic health planning activities related to the  
18 preparation of the strategy, as specified in this chapter;

19 (b) Develop a computerized system for accessing, analyzing, and  
20 disseminating data relevant to strategic health planning  
21 responsibilities. The office may contract with an organization to  
22 create the computerized system capable of meeting the needs of the  
23 office;

24 (c) Have access to the information submitted as part of the  
25 health professional licensing application and renewal process,  
26 excluding social security number and background check information,  
27 whether the license is issued by the secretary of the department of  
28 health or a board or commission. The office shall also have access to  
29 information submitted to the department of health as part of the  
30 medical or health facility licensing process. Access to and use of  
31 all data shall be in accordance with state and federal  
32 confidentiality laws and ethical guidelines, and the office shall  
33 maintain the same degree of confidentiality as the department of  
34 health. For professional licensing information provided to the  
35 office, the department of health shall replace any social security  
36 number with an alternative identifier capable of linking all  
37 licensing records of an individual; (~~and~~)

1       (d) Have access to and use of the data contained in the all-payer  
2 claims database and information submitted to the health care  
3 authority as part of the annual reporting process;

4       (e) Have access to and use of other relevant health care  
5 authority, department of health, office of the insurance  
6 commissioner, health benefit exchange, and department of social and  
7 health services data, where doing so would avoid duplicating  
8 collection efforts; and

9       (f) Conduct research and analysis or arrange for research and  
10 analysis projects to be conducted by public or private organizations  
11 to further the purposes of the strategy.

12       (3) Access to and use of all data received from other entities  
13 shall be in accordance with state and federal confidentiality laws  
14 and ethical guidelines, and the office shall maintain the same degree  
15 of confidentiality and nondisclosure as the originating entity.

16       **Sec. 4.** RCW 43.370.030 and 2010 1st sp.s. c 7 s 114 are each  
17 amended to read as follows:

18       (1) The office ((shall develop)), in coordination with relevant  
19 public and private stakeholders, shall update the state health plan  
20 by developing a statewide health resources strategy. The strategy  
21 shall establish statewide health planning policies and goals related  
22 to the availability of health care facilities and services, quality  
23 of care, and cost of care. The strategy shall identify needs  
24 according to geographic regions suitable for comprehensive health  
25 planning as designated by the office.

26       (2) The development of the strategy shall consider the following  
27 general goals and principles:

28       (a) That excess capacity of health services and facilities place  
29 considerable economic burden on the public who pay for the  
30 construction and operation of these facilities as patients, health  
31 insurance purchasers, carriers, and taxpayers; ((and))

32       (b) That the development and ongoing maintenance of current and  
33 accurate health care information and statistics related to cost and  
34 quality of health care, as well as projections of need for health  
35 facilities and services, are essential to effective strategic health  
36 planning; and

37       (c) That a statewide health resources strategy should take into  
38 consideration the principles of health equity.

1 (3) The strategy, with public input by health service areas,  
2 shall include:

3 (a) A health system assessment and objectives component that:

4 (i) Describes state and regional population demographics, health  
5 status indicators, and trends in health status and health care needs;  
6 and

7 (ii) Identifies key policy objectives for the state health system  
8 related to access to care, health outcomes, quality, and cost-  
9 effectiveness;

10 (b) A health care facilities and services plan that shall assess  
11 the demand for health care facilities and services to inform state  
12 health planning efforts and direct certificate of need  
13 determinations, for those facilities and services subject to  
14 certificate of need as provided in chapter 70.38 RCW. The plan shall  
15 include:

16 (i) An inventory of each geographic region's existing health care  
17 facilities and services;

18 (ii) Projections of need for each category of health care  
19 facility and service, including those subject to certificate of need;

20 (iii) Policies to guide the addition of new or expanded health  
21 care facilities and services to promote the use of quality, evidence-  
22 based, cost-effective health care delivery options, including any  
23 recommendations for criteria, standards, and methods relevant to the  
24 certificate of need review process; and

25 (iv) An assessment of the availability of health care providers,  
26 public health resources, transportation infrastructure, and other  
27 considerations necessary to support the needed health care facilities  
28 and services in each region;

29 (c) A health care data resource plan that identifies data  
30 elements necessary to properly conduct planning activities and to  
31 review certificate of need applications, including data related to  
32 inpatient and outpatient utilization and outcomes information, and  
33 financial and utilization information related to charity care,  
34 quality, and cost. The plan shall inventory existing data resources,  
35 both public and private, that store and disclose information relevant  
36 to the health planning process, including information necessary to  
37 conduct certificate of need activities pursuant to chapter 70.38 RCW.  
38 The plan shall identify any deficiencies in the inventory of existing  
39 data resources and the data necessary to conduct comprehensive health  
40 planning activities. The plan may recommend that the office be

1 authorized to access existing data sources and conduct appropriate  
2 analyses of such data or that other agencies expand their data  
3 collection activities as statutory authority permits. The plan may  
4 identify any computing infrastructure deficiencies that impede the  
5 proper storage, transmission, and analysis of health planning data.  
6 The plan shall provide recommendations for increasing the  
7 availability of data related to health planning to provide greater  
8 community involvement in the health planning process and consistency  
9 in data used for certificate of need applications and determinations;

10 (d) An assessment of emerging trends in health care delivery and  
11 technology as they relate to access to health care facilities and  
12 services, quality of care, and costs of care. The assessment shall  
13 recommend any changes to the scope of health care facilities and  
14 services covered by the certificate of need program that may be  
15 warranted by these emerging trends. In addition, the assessment may  
16 recommend any changes to criteria used by the department to review  
17 certificate of need applications, as necessary;

18 (e) A rural health resource plan to assess the availability of  
19 health resources in rural areas of the state, assess the unmet needs  
20 of these communities, and evaluate how federal and state  
21 reimbursement policies can be modified, if necessary, to more  
22 efficiently and effectively meet the health care needs of rural  
23 communities. The plan shall consider the unique health care needs of  
24 rural communities, the adequacy of the rural health workforce, and  
25 transportation needs for accessing appropriate care.

26 (4) The office shall submit ~~((the initial strategy))~~ a  
27 preliminary report outlining its work in developing a state health  
28 resources strategy by July 1, 2026. The office shall submit the  
29 completed health resources strategy report to the governor and the  
30 appropriate committees of the senate and house of representatives by  
31 ~~((January 1, 2010. Every))~~ December 31, 2027. The report must include  
32 projections and policy recommendations through 2032. Beginning  
33 January 1, 2033, the office shall report on strategy updates and  
34 implementation every two years ~~((the office shall submit an updated~~  
35 ~~strategy. The health care facilities and services plan as it pertains~~  
36 ~~to a distinct geographic planning region may be updated by individual~~  
37 ~~categories on a rotating, biannual schedule))~~.

38 (5) The office shall hold at least one virtual or hybrid public  
39 hearing and allow opportunity to submit written comments prior to the  
40 issuance of the ~~((initial))~~ preliminary report outlining its work in

1 developing the state health resources strategy ((~~or an~~) and at least  
2 one virtual or hybrid public meeting before issuance of the completed  
3 health resources strategy report and any updated strategy reports.  
4 ~~((A public hearing shall be held prior to issuing a draft of an~~  
5 ~~updated health care facilities and services plan, and another public~~  
6 ~~hearing shall be held before final adoption of an updated health care~~  
7 ~~facilities and services plan. Any hearing related to updating a~~  
8 ~~health care facilities and services plan for a specific planning~~  
9 ~~region shall be held in that region with sufficient notice to the~~  
10 ~~public and an opportunity to comment.))~~

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