

# HOUSE BILL REPORT

## HB 2735

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### As Reported By House Committee On:

Health Care

**Title:** An act relating to an exemption from certificate of need for the renovation of a nursing facility operated by an existing licensee who has operated the beds for at least one year.

**Brief Description:** Exempting from certificate of need review certain nursing facilities that undertake renovations.

**Sponsors:** Representatives Dyer, D. Sommers, Sherstad and Scheuerman.

### Brief History:

#### Committee Activity:

Health Care: 2/1/96, 2/2/96 [DP].

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### HOUSE COMMITTEE ON HEALTH CARE

**Majority Report:** Do pass. Signed by 13 members: Representatives Dyer, Chairman; Backlund, Vice Chairman; Hymes, Vice Chairman; Cody, Ranking Minority Member; Murray, Assistant Ranking Minority Member; Campbell; Casada; Conway; Crouse; Morris; Sherstad; Skinner and H. Sommers.

**Staff:** Antonio Sanchez (786-7383).

**Background:** The Certificate of Need program is a cost containment program regulated by the Department of Health. The purpose of the program is to ensure the construction and development of only those new health care facilities and services that promote access to high-quality, needed care at a reasonable cost.

Currently, a certificate of need is required prior to the commencement of construction or operation of new hospitals, nursing homes, home health and hospice agencies, kidney dialysis centers, and ambulatory surgical centers. With regards to nursing homes specifically, a certificate of need is required for any increase in the number of licensed beds and any capital expenditure exceeding \$1.2 million.

No certificate of need is required for nursing homes, however, for construction which involves physical plant facilities, including administrative and support facilities that are not used for the provision of health services.

**Summary of Bill:** The exemption from certificate of need is expanded to include renovation of dining, kitchen, laundry, and therapy areas by an existing licensee who has operated the facility for at least one year. Technical changes are made.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** There is not much you can do today for less than \$1.2 million, and there is no one at the Department of Health who knows more about the financial viability of a project than the lender. As such, that portion of the certificate of need statute for nursing homes as it relates to the process for approval of any remodeling, addition, or rehabilitation of a nursing home costing in excess of \$1.2 million should be adjusted. It is in the best interest of the residents. The time and expense of going through the certificate of need process is discouraging too many nursing homes which want to do simple remodeling.

**Testimony Against:** None.

**Testified:** Janis Sigman, Department of Health; Ralph Smith, Department of Social and Health Services; and Karen Tynes, Washington Association of Homes for the Aging.