

# SENATE BILL REPORT

## SB 6754

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As Reported By Senate Committee On:  
Health & Long-Term Care, February 2, 1996

**Title:** An act relating to studying the impact on rural hospitals of changing the certificate of need program.

**Brief Description:** Studying the potential impact on rural hospitals of changing the certificate of need program.

**Sponsors:** Senator Quigley.

**Brief History:**

**Committee Activity:** Health & Long-Term Care: 2/1/96, 2/2/96 [DP].

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

**Majority Report:** Do pass.

Signed by Senators Quigley, Chair; Wojahn, Vice Chair; Deccio, Fairley, Franklin, Moyer, Thibaudeau, Winsley and Wood.

**Staff:** Rhoda Jones (786-7198)

**Background:** Since 1971, the state has required that new health care facilities and services must go through an extensive review process called certificate of need (CON) before commencing construction. To obtain a CON, the applicant must prove that the community needs this service and that the proposal is the best way to meet the needs. The applicant must also demonstrate financial feasibility and how the new service will be able to deliver high-quality health care.

Currently, a CON review is required for the construction or development of hospitals, nursing homes, home health and hospice agencies, kidney dialysis centers and ambulatory surgical centers.

The health care marketplace has changed so much since the CON program was first developed that now there is growing interest in reviewing the role of the program in today's health care arena.

**Summary of Bill:** The Department of Health is authorized to study the potential impact of changing the CON program, especially on rural hospitals, home health care facilities, hospices, and nursing homes. The report must include recommendations for the state's role in promoting quality and access of health care services to vulnerable and rural populations.

**Appropriation:** \$35,000.

**Fiscal Note:** None requested.

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

**Testimony For:** The certificate of need (CON) program is outdated and stands in the way of flexibility in the marketplace. The process is expensive and cumbersome to health care providers and the state should seek to understand the problems CON poses. DOH should consider repealing the entire CON program.

**Testimony Against:** None.

**Testified:** Dave Broderick, WA State Hospital Assn. (pro); Gail McGaffick, Home Care Assn. of WA (pro); Dr. Peter Marsh, WA State Medical Assn.; Shaun Koos, Wenatchee Valley Clinic; Donna Woodkey, Cascade Medical Center; Jerry Hawley, Quincy and Columbia Basin Hospitals; Jane Johnson, Freestanding Ambulatory Surgery Clinics; Trevor Sandison, FASCAW.