
ENGROSSED HOUSE BILL 2735

State of Washington 54th Legislature 1996 Regular Session

By Representatives Dyer, D. Sommers, Sherstad and Scheuerman

Read first time 01/17/96. Referred to Committee on Health Care.

1 AN ACT Relating to an exemption from certificate of need for the
2 renovation of a nursing facility operated by an existing licensee who
3 has operated the beds for at least one year; and amending RCW
4 70.38.105.

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

6 **Sec. 1.** RCW 70.38.105 and 1992 c 27 s 1 are each amended to read
7 as follows:

8 (1) The department is authorized and directed to implement the
9 certificate of need program in this state pursuant to the provisions of
10 this chapter.

11 (2) There shall be a state certificate of need program which is
12 administered consistent with the requirements of federal law as
13 necessary to the receipt of federal funds by the state.

14 (3) No person shall engage in any undertaking which is subject to
15 certificate of need review under subsection (4) of this section without
16 first having received from the department either a certificate of need
17 or an exception granted in accordance with this chapter.

18 (4) The following shall be subject to certificate of need review
19 under this chapter:

1 (a) The construction, development, or other establishment of a new
2 health care facility;

3 (b) The sale, purchase, or lease of part or all of any existing
4 hospital as defined in RCW 70.38.025;

5 (c) Any capital expenditure for the construction, renovation, or
6 alteration of a nursing home which substantially changes the services
7 of the facility after January 1, 1981, provided that the substantial
8 changes in services are specified by the department in rule;

9 (d) Any capital expenditure for the construction, renovation, or
10 alteration of a nursing home which exceeds the expenditure minimum as
11 defined by RCW 70.38.025. However, a capital expenditure which is not
12 subject to certificate of need review under (a), (b), (c), or (e) of
13 this subsection and which is solely for any one or more of the
14 following is not subject to certificate of need review (~~except to the~~
15 ~~extent required by the federal government as a condition to receipt of~~
16 ~~federal assistance and does not substantially affect patient charges~~):

17 (i) Communications and parking facilities;

18 (ii) Mechanical, electrical, ventilation, heating, and air
19 conditioning systems;

20 (iii) Energy conservation systems;

21 (iv) Repairs to, or the correction of, deficiencies in existing
22 physical plant facilities which are necessary to maintain state
23 licensure, however, other additional repairs, remodeling, or
24 replacement projects that are not related to one or more deficiency
25 citations and are not necessary to maintain state licensure are not
26 exempt from certificate of need review except as otherwise permitted by
27 (d)(vi) of this subsection or RCW 70.38.115(13);

28 (v) Acquisition of equipment, including data processing equipment,
29 which is not or will not be used in the direct provision of health
30 services;

31 (vi) Construction or renovation at an existing nursing home which
32 involves physical plant facilities, including administrative, dining
33 areas, kitchen, laundry, therapy areas, and support facilities, ((which
34 are not or will not be used for the provision of health services)) by
35 an existing licensee who has operated the beds for at least one year;

36 (vii) Acquisition of land; and

37 (viii) Refinancing of existing debt;

38 (e) A change in bed capacity of a health care facility which
39 increases the total number of licensed beds or redistributes beds among

1 acute care, nursing home care, and boarding home care if the bed
2 redistribution is to be effective for a period in excess of six months,
3 or a change in bed capacity of a rural health care facility licensed
4 under RCW 70.175.100 that increases the total number of nursing home
5 beds or redistributes beds from acute care or boarding home care to
6 nursing home care if the bed redistribution is to be effective for a
7 period in excess of six months;

8 (f) Any new tertiary health services which are offered in or
9 through a health care facility or rural health care facility licensed
10 under RCW 70.175.100, and which were not offered on a regular basis by,
11 in, or through such health care facility or rural health care facility
12 within the twelve-month period prior to the time such services would be
13 offered;

14 (g) Any expenditure for the construction, renovation, or alteration
15 of a nursing home or change in nursing home services in excess of the
16 expenditure minimum made in preparation for any undertaking under
17 subsection (4) of this section and any arrangement or commitment made
18 for financing such undertaking. Expenditures of preparation shall
19 include expenditures for architectural designs, plans, working
20 drawings, and specifications. The department may issue certificates of
21 need permitting predevelopment expenditures, only, without authorizing
22 any subsequent undertaking with respect to which such predevelopment
23 expenditures are made; and

24 (h) Any increase in the number of dialysis stations in a kidney
25 disease center.

26 (5) The department is authorized to charge fees for the review of
27 certificate of need applications and requests for exemptions from
28 certificate of need review. The fees shall be sufficient to cover the
29 full cost of review and exemption, which may include the development of
30 standards, criteria, and policies.

31 (6) No person may divide a project in order to avoid review
32 requirements under any of the thresholds specified in this section.

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