ENGROSSED HOUSE BILL 2735

Chapter 50, Laws of 1996

54th Legislature
1996 Regular Session

NURSING FACILITY RENOVATION--EXEMPTION FROM CERTIFICATE OF NEED

EFFECTIVE DATE: 6/6/96

Passed by the House February 8, 1996
Yeas 98  Nays 0

CLYDE BALLARD
Speaker of the
House of Representatives

Passed by the Senate February 28, 1996
Yeas 47  Nays 0

JOEL PRITCHARD
President of the Senate

CERTIFICATE

I, Timothy A. Martin, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is ENGROSSED HOUSE BILL 2735 as passed by the House of Representatives and the Senate on the dates hereon set forth.

TIMOTHY A. MARTIN
Chief Clerk

MIKE LOWRY
Governor of the State of Washington

Secretary of State
State of Washington

Approved March 13, 1996

FILED

March 13, 1996 - 1:19 p.m.
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; and amending RCW 70.38.105.

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

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

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

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

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

(4) The following shall be subject to certificate of need review under this chapter:
(a) The construction, development, or other establishment of a new health care facility;
(b) The sale, purchase, or lease of part or all of any existing hospital as defined in RCW 70.38.025;
(c) Any capital expenditure for the construction, renovation, or alteration of a nursing home which substantially changes the services of the facility after January 1, 1981, provided that the substantial changes in services are specified by the department in rule;
(d) Any capital expenditure for the construction, renovation, or alteration of a nursing home which exceeds the expenditure minimum as defined by RCW 70.38.025. However, a capital expenditure which is not subject to certificate of need review under (a), (b), (c), or (e) of this subsection and which is solely for any one or more of the following is not subject to certificate of need review (except to the extent required by the federal government as a condition to receipt of federal assistance and does not substantially affect patient charges):
   (i) Communications and parking facilities;
   (ii) Mechanical, electrical, ventilation, heating, and air conditioning systems;
   (iii) Energy conservation systems;
   (iv) Repairs to, or the correction of, deficiencies in existing physical plant facilities which are necessary to maintain state licensure, however, other additional repairs, remodeling, or replacement projects that are not related to one or more deficiency citations and are not necessary to maintain state licensure are not exempt from certificate of need review except as otherwise permitted by (d)(vi) of this subsection or RCW 70.38.115(13);
   (v) Acquisition of equipment, including data processing equipment, which is not or will not be used in the direct provision of health services;
   (vi) Construction or renovation at an existing nursing home which involves physical plant facilities, including administrative, dining areas, kitchen, laundry, therapy areas, and support facilities, (which are not or will not be used for the provision of health services) by an existing licensee who has operated the beds for at least one year;
   (vii) Acquisition of land; and
   (viii) Refinancing of existing debt;
(e) A change in bed capacity of a health care facility which increases the total number of licensed beds or redistributes beds among
acute care, nursing home care, and boarding home care if the bed redistribution is to be effective for a period in excess of six months, or a change in bed capacity of a rural health care facility licensed under RCW 70.175.100 that increases the total number of nursing home beds or redistributes beds from acute care or boarding home care to nursing home care if the bed redistribution is to be effective for a period in excess of six months;

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

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

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

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

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

Passed the House February 8, 1996.
Passed the Senate February 28, 1996.
Approved by the Governor March 13, 1996.
Filed in Office of Secretary of State March 13, 1996.