

FINAL BILL REPORT

EHB 1777

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Synopsis as Enacted

Brief Description: Exempting certain existing ambulatory surgical facilities from certificate of need.

Sponsors: Representatives Cody, Harris, Macri, Schmick, Vick, Appleton and Robinson.

House Committee on Health Care & Wellness
Senate Committee on Health & Long Term Care

Background:

Before a health care facility, including an ambulatory surgical facility, may be constructed, renovated, or sold, the Department of Health (DOH) must issue a certificate of need. When determining whether to issue a certificate of need, the DOH must consider a variety of factors, including:

- the population's need for the service;
- the availability of less costly or more effective methods of providing the service;
- the financial feasibility and probable impact of the proposal on the cost of health care in the community;
- the need and availability of services and facilities for physicians and patients in the community;
- the efficiency and appropriateness of the use of existing similar services and facilities; and
- improvements in the financing and delivery of health services that contain costs and promote quality assurance.

For purposes of the certificate of need program, the DOH has defined "ambulatory surgical facility" as any free-standing entity, including an ambulatory surgery center that operates primarily for the purpose of performing surgical procedures to treat patients not requiring hospitalization. The term does not include a facility in the offices of private physicians or dentists if the privilege of using the facility is not extended to physicians or dentists outside the individual or group practice.

On January 19, 2018, the DOH issued an interpretive statement regarding ambulatory surgical facilities owned and exclusively used by physicians. According to the statement, such ambulatory surgical facilities are not exempt from certificate of need review.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary:

An ambulatory surgery facility is exempt from all certificate of need requirements if it:

- is an individual or group practice and, if the facility is a group practice, the privilege of using the facility is not extended to physicians outside of the group practice;
- operated or received approval to operate prior to January 19, 2018; and
- was exempt from certificate of need requirements prior to January 19, 2018, because the facility was determined to be exempt pursuant to a determination of reviewability issued by the Department of Health or was a single-specialty endoscopy center in existence prior to January 14, 2003.

The exemption applies regardless of future changes of ownership, corporate structure, or affiliations of the individual or group practice as long as the use of the facility remains limited to physicians in the group practice. The exemption does not apply to changes in services, specialties, or number of operating rooms.

Votes on Final Passage:

House	98	0
Senate	47	0

Effective: July 28, 2019