

# HOUSE BILL REPORT

## SSB 5920

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**As Passed House:**  
February 29, 2024

**Title:** An act relating to lifting certificate of need requirements for the construction of psychiatric hospitals and the addition of psychiatric beds.

**Brief Description:** Lifting certificate of need requirements for psychiatric hospitals and beds.

**Sponsors:** Senate Committee on Health & Long Term Care (originally sponsored by Senators Padden, Fortunato, Keiser, Warnick and Wilson, L.).

**Brief History:**

**Committee Activity:**

Health Care & Wellness: 2/16/24, 2/20/24 [DP].

**Floor Activity:**

Passed House: 2/29/24, 96-0.

**Brief Summary of Substitute Bill**

- Reinstates certain temporary certificate of need exemptions for increasing psychiatric bed capacity.

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### HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

**Majority Report:** Do pass. Signed by 16 members: Representatives Riccelli, Chair; Bateman, Vice Chair; Schmick, Ranking Minority Member; Hutchins, Assistant Ranking Minority Member; Bronoske, Caldier, Davis, Graham, Harris, Macri, Maycumber, Mosbrucker, Orwall, Simmons, Stonier and Tharinger.

**Staff:** Jim Morishima (786-7191).

**Background:**

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

Before a health care facility, including hospices, hospice care centers, hospitals, psychiatric hospitals, nursing homes, kidney disease treatment centers, ambulatory surgical facilities, and home health agencies, may be constructed, renovated, or sold, the DOH must issue a certificate of need. Until June 30, 2023, certificate of need requirements were suspended for:

- a hospital that changes the use of existing beds to provide psychiatric services, including involuntary treatment services;
- a hospital that adds new psychiatric beds;
- a psychiatric hospital that adds up to 30 new psychiatric beds, if the psychiatric hospital commits to maintaining a payer mix of 50 percent Medicare and Medicaid;
- a psychiatric hospital that adds additional psychiatric beds pursuant to a grant from the Department of Commerce; and
- the construction of a new psychiatric hospital with no more than 16 beds, a portion of which are to be used for treating adults on 90- or 180-day involuntary commitment orders.

New psychiatric beds must remain psychiatric beds unless a certificate of need is granted to change their use or the hospital or psychiatric hospital voluntarily reduces its licensed capacity.

**Summary of Bill:**

The certificate of need exemptions that expired on June 30, 2023, for psychiatric beds and new psychiatric hospitals are reinstated until June 30, 2028. The requirement that new psychiatric beds remain psychiatric beds expires on June 30, 2029.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) Individuals with mental disorders often face long waiting times to receive needed treatment. They can face long stays in the emergency room as they wait for psychiatric beds to open up. This is not the hospital's fault, but because of a lack of beds. This bill will help increase psychiatric bed capacity.

(Opposed) None.

(Other) This bill highlights the problem with the certificate of need process. The state's bed capacity is inadequate. Certificate of need is an unnecessary requirement, which increases

costs and reduces the availability of care. Such laws have been repealed by the federal government and many states. The laws restrict competition.

**Persons Testifying:** (In support) Cebell Berry.

(Other) Elizabeth Hovde, Washington Policy Center.

**Persons Signed In To Testify But Not Testifying:** None.