

WSR 24-11-118

PROPOSED RULES

DEPARTMENT OF HEALTH

[Filed May 21, 2024, 7:21 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 23-22-096.

Title of Rule and Other Identifying Information: Hospital fees updates to acute care and psychiatric hospital facility fees. The department of health (department) is proposing amendments to WAC 246-320-199 and 246-322-990 to update fees for acute care hospitals licensed under chapter 246-320 WAC and private psychiatric hospitals licensed under chapter 246-322 WAC. The department is also proposing changes to clarify and standardize language.

Hearing Location(s): On June 25, 2024, at 4:30 p.m., at the Department of Health, Town Center 2, 111 Israel Road S.E., Room 166 and 167, Tumwater, WA 98501; or virtual. Register in advance for this webinar https://us02web.zoom.us/webinar/register/WN_yJZUMgmQRXiqpquw7kV57Q. After registering, you will receive a confirmation email containing information about joining the webinar. Individuals may attend virtually or in person. Comments may also be submitted in writing.

Date of Intended Adoption: July 2, 2024.

Submit Written Comments to: Heather Cantrell, P.O. Box 47850, Olympia, WA 98504-7850, email <https://fortress.wa.gov/doh/policyreview>, by June 25, 2024.

Assistance for Persons with Disabilities: Contact Heather Cantrell, phone 360-236-4637, TTY 711, email HSQAfeerules@doh.wa.gov, by June 18, 2024.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The department is proposing updates to rules regarding acute care and private psychiatric hospital fees to address funding needs. An update is needed to adequately fund the hospital inspection, investigation, and licensing programs to protect patients. RCW 43.70.250 requires that fees must cover regulatory program expenses which necessitates the program(s) to be self-funding and changes to rules are the only way to make fee adjustments. Critical access hospitals will have a reduced fee to align with the department's commitment to equity. Psychiatric hospitals will have a reduction in their fee after the initial fee update that will help balance the current shortfalls and long-term needs.

Reasons Supporting Proposal: RCW 43.70.250 requires that fees must cover regulatory program expenses which necessitates the program(s) to be self-funding and changes to rules are the only way to make fee adjustments. The proposed fees will address the backlog costs and the reserve amounts needed. The department will continue to monitor the finances and propose fee adjustments as needed.

Statutory Authority for Adoption: RCW 43.70.110 and 43.70.250.

Statute Being Implemented: RCW 43.70.110 and 43.70.250.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Department of health, governmental.

Name of Agency Personnel Responsible for Drafting: Heather Cantrell, 111 Israel Road S.E., Tumwater, WA 98501, 360-236-4637; Implementation and Enforcement: Julie Tomaro, 111 Israel Road S.E., Tumwater, WA 98501, 360-236-2937.

A school district fiscal impact statement is not required under RCW 28A.305.135.

A cost-benefit analysis is not required under RCW 34.05.328. RCW 34.05.328 (5)(b)(vi) exempts rules that set or adjust fees or rates pursuant to legislative standards.

This rule proposal, or portions of the proposal, is exempt from requirements of the Regulatory Fairness Act because the proposal:

Is exempt under RCW 19.85.025(3) as the rules set or adjust fees under the authority of RCW 19.02.075 or that set or adjust fees or rates pursuant to legislative standards, including fees set or adjusted under the authority of RCW 19.80.045.

Is exempt under RCW 19.85.025(4).

Explanation of exemptions: The proposed rule adjusts fees and therefore is exempt under RCW 34.05.310 (4)(f). This proposed rule also only applies to licensed acute care and private psychiatric hospitals. These do not meet the definition of "small business" in RCW 19.85.020.

Scope of exemption for rule proposal:

Is fully exempt.

May 21, 2024
 Todd Mountin, PMP
 Chief of Policy
 for Umair A. Shah, MD, MPH
 Secretary

OTS-5414.2

AMENDATORY SECTION (Amending WSR 19-16-049, filed 7/30/19, effective 10/1/19)

WAC 246-320-199 Fees. This section establishes the initial licensure and annual fees for hospitals licensed under chapter 70.41 RCW. The license must be renewed every three years.

(1) Applicants and licensees shall submit to the department:

(a) An initial license fee (~~(of two hundred twenty dollars)~~) for each bed space within the authorized bed capacity for the hospital;

(b) An annual fee (~~(of two hundred twenty dollars)~~) for each bed space within the authorized bed capacity of the hospital by November 30th of the year.

(2) As used in this section, a bed space:

(a) Includes all bed spaces in rooms complying with physical plant and movable equipment requirements of this chapter for (~~(twenty-four)~~) 24-hour assigned patient care;

(b) Includes level 2 and 3 bassinet spaces;

(c) Includes bed spaces assigned for less than (~~(twenty-four)~~) 24-hour patient use as part of the licensed bed capacity when:

(i) Physical plant requirements of this chapter are met without movable equipment; and

(ii) The hospital currently possesses the required movable equipment and certifies this fact to the department.

(d) Excludes all normal infant bassinets;

(e) Excludes beds banked as authorized by certificate of need under chapter 70.38 RCW.

(3) A licensee shall submit to the department a late fee (~~((in the amount of one hundred dollars per day))~~) whenever the annual ~~((use))~~ fee is not paid by November 30th. The total late fee will not exceed ~~((twelve hundred dollars))~~ \$1,200.

(4) An applicant may request a refund for initial licensure as follows:

(a) Two-thirds of the initial fee paid after the department has received an application and not conducted an on-site survey or provided technical assistance; or

(b) One-third of the initial fee paid after the department has received an application and conducted either an on-site survey or provided technical assistance but not issued a license.

(5) The following fees will be charged:

<u>Fee Type</u>	<u>Acute Care - Critical Access Fee</u>	<u>Acute Care Fee</u>
<u>Initial Licensure Fee per bed</u>	<u>\$380.00</u>	<u>\$505.00</u>
<u>Renewal Licensure Fee per bed</u>	<u>\$380.00</u>	<u>\$505.00</u>
<u>Late Fee per day</u>	<u>\$100.00</u>	<u>\$100.00</u>

OTS-5415.2

AMENDATORY SECTION (Amending WSR 21-11-107, filed 5/19/21, effective 7/1/21)

WAC 246-322-990 Private psychiatric hospital fees. This section establishes the initial licensure and annual renewal fees for private psychiatric hospitals licensed under chapter 71.12 RCW.

(1) Applicants and licensees shall:

(a) Submit to the department an initial licensure fee (~~((of four hundred ninety-five dollars))~~) for each bed space within the licensed bed capacity of the hospital;

(b) Submit to the department an annual renewal fee (~~((of four hundred ninety-five dollars))~~) for each bed space within the licensed bed capacity of the hospital to the department;

(c) Include all bed spaces and rooms complying with physical plant and movable equipment requirements of this chapter for ~~((twenty-four))~~ 24-hour assigned patient rooms;

(d) Include bed spaces assigned for less than ~~((twenty-four))~~ 24-hour patient use as part of the licensed bed capacity when:

(i) Physical plant requirements of this chapter are met without movable equipment; and

(ii) The private psychiatric hospital currently possesses the required movable equipment and certifies this fact to the department.

(e) Limit licensed bed spaces as required under chapter 70.38 RCW;

(f) Submit applications for bed additions to the department for review and approval under chapter 70.38 RCW subsequent to department establishment of the private psychiatric hospital's licensed bed capacity;

(g) Set up (~~twenty-four~~) 24-hour assigned patient beds only within the licensed bed capacity approved by the department.

(2) Refunds. The department shall refund fees paid by the applicant for initial licensure if:

(a) The department has received the application but has not conducted an on-site survey or provided technical assistance, the department will refund two-thirds of the fees paid, less a (~~fifty-dollar~~) refund processing fee.

(b) The department has received the application and has conducted an on-site survey or provided technical assistance, the department will refund one-third of the fees paid, less a (~~fifty-dollar~~) refund processing fee.

(c) The department will not refund fees if:

(i) The department has performed more than one on-site visit for any purpose;

(ii) One year has elapsed since an initial licensure application is received by the department, and the department has not issued the license because the applicant has failed to complete the requirements for licensure; or

(iii) The amount to be refunded as calculated by (a) or (b) of this subsection is (~~ten-dollars~~) \$10 or less.

(3) Between November 1, 2024, and October 31, 2025, the following fees will apply:

Fee Type	Fee
<u>Initial Licensure Fee per bed</u>	<u>\$1,700.00</u>
<u>Renewal Licensure Fee per bed</u>	<u>\$1,700.00</u>
<u>Refund Processing Fee</u>	<u>\$50.00</u>

(4) On and after November 1, 2025, the following fees apply:

Fee Type	Fee
<u>Initial Licensure Fee per bed</u>	<u>\$1,450.00</u>
<u>Renewal Licensure Fee per bed</u>	<u>\$1,450.00</u>
<u>Refund Processing Fee</u>	<u>\$50.00</u>