

CERTIFICATION OF ENROLLMENT

**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**

Approved March 13, 1996

MIKE LOWRY  
**Governor of the State of Washington**

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**

FILED

March 13, 1996 - 1:19 p.m.

**Secretary of State  
State of Washington**

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**ENGROSSED HOUSE BILL 2735**

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Passed Legislature - 1996 Regular Session

**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.

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.