

---

**Health Care & Wellness  
Committee**

---

**HB 2100**

**Brief Description:** Establishing a statewide health resources strategy.

**Sponsors:** Representatives Cody and Morrell.

**Brief Summary of Bill**

- Establishes the Washington Health Resources Strategy Commission to conduct health planning and to publish the Statewide Health Resources Strategy.

**Hearing Date:**

**Staff:** Chris Blake (786-7392).

**Background:**

In 1974 Congress passed the National Health Planning and Resources Development Act (Act). The stated intent of the Act was to create state and local level health planning for health services and facilities. The Act creates local health systems agencies, state health planning and development agencies, and statewide health coordinating councils. The law also required every state to establish and administer a certificate of need program. When the federal health planning requirements were eliminated in 1986, several states discontinued their certificate of need programs. Washington is one of thirty-six states that currently maintains a certificate of need program.

**Summary of Bill:**

The Office of Strategic Health Resource Coordination (Office) is created in the Office of the Governor. The Office is responsible for assisting the Washington Health Resources Strategy Commission (Commission) and preparing the Statewide Health Resources Strategy (Strategy). In addition, the Office must develop a computerized system for accessing, analyzing, and disseminating health planning data. The office must maintain access to deidentified data collected by public and private organizations to support the commissions health planning functions.

---

*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.*

The Commission is created consisting of seventeen members appointed by the Governor to four year terms. The members specifically include: three health economists or health planners and representatives of nongovernment health purchasers, acute care facilities, long-term care facilities, health care providers, a federally-recognized Indian tribe, health care consumers, the Department of Health (Department), the Department of Social and Health Services, the Health Care Authority, and the Office of the Insurance Commissioner. The Governor must make reasonable efforts to appoint individuals with expertise in health planning or health economics.

The Commission is responsible for developing the Strategy which establishes statewide health planning policies and goals related to the availability of facilities and services, quality of care, and cost of care. The Commission must consider the following goals and principles when developing the plan:

- health care financing is structured in such a way that free market competition is limited and government planning and regulation is required to control costs, utilization, and distribution of health care services and facilities;
- excess capacity of health services and facilities places a considerable burden on the public to pay for them;
- accurate health care data related to cost and quality of health care and projections of need for health care facilities and services are necessary for effective health planning; and
- an informed understanding of the state's health system can create a competitive health care system that is affordable, high-quality, and cost-effective;

The Strategy is comprised of five components.

- *A health system assessment and objectives component* which includes general demographic and health status information as well as key policy objectives related to access to care, health outcomes, quality, and cost-effectiveness.
- *A health care facilities and services plan* that assesses the demand for health care facilities and services to inform health planning and certificate of need determinations. The plan includes an inventory of existing health care facilities and services; projections of need; policies for the addition of new or expanded health care facilities and services; and an assessment of the availability of resources needed to support additional facilities and services.
- *A health care data resource plan* that identifies the data necessary to conduct health planning and certificate of need activities such as inpatient and outpatient utilization and outcome information, and financial and utilization information related to cost, quality, and charity care. The plan must identify existing data resources and identify where the data is insufficient to conduct health planning activities, and recommend where the Office should have access to additional data or agencies should expand their data collection.
- *An assessment of emerging trends in health care delivery and technology* which includes recommendations to change the scope of health care facilities and services covered by certificate of need or the review criteria.
- *A rural health resource plan* that assesses the availability of health resources in rural communities, their unmet needs, and how reimbursement policies can better meet their health care needs.

The final Strategy must be completed by January 1, 2009 and must be updated every two years. The regional health care facilities and services plans may be updated on a rotating biennial schedule. There are requirements for holding public hearings and accepting written comments prior to issuing the initial strategy, an updated strategy, or an updated health care facilities and services plan. Prior to updating a health care facilities and services plan, a public hearing shall be held within the affected geographic region before issuing a draft and before issuing a final updated plan.

The Commission must submit the Strategy and any health care facilities and services plan updates to the Department to direct its certificate of need program activities. Certificate of need determinations must be consistent with the Strategy and any policies and goals that it identifies. The Department may waive certain requirements when they create an undue burden on the population served by a project or in an emergency which poses a threat to public health.

**Appropriation:** None.

**Fiscal Note:** Requested on February 7, 2007.

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