

# HOUSE BILL REPORT

## SSB 5236

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**As Passed House - Amended:**

March 28, 2021

**Title:** An act relating to extending the exemption from certificate of need requirements for the expansion of psychiatric bed capacity.

**Brief Description:** Extending certificate of need exemptions.

**Sponsors:** Senate Committee on Behavioral Health Subcommittee to Health & Long Term Care (originally sponsored by Senators Warnick, Dhingra, Nguyen and Wagoner).

**Brief History:**

**Committee Activity:**

Health Care & Wellness: 3/10/21, 3/11/21 [DPA].

**Floor Activity:**

Passed House: 3/28/21, 97-0.

**Brief Summary of Substitute Bill  
(As Amended By House)**

- Extends the suspension of certificate of need requirements from June 30, 2021, to June 30, 2023, for certain entities that are either adding new psychiatric beds, changing the use of current beds to psychiatric services, or constructing new psychiatric hospitals.

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### HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

**Majority Report:** Do pass as amended. Signed by 15 members: Representatives Cody, Chair; Bateman, Vice Chair; Schmick, Ranking Minority Member; Caldier, Assistant Ranking Minority Member; Bronoske, Davis, Harris, Macri, Maycumber, Riccelli, Rude, Simmons, Stonier, Tharinger and Ybarra.

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

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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.*

**Background:**

The certificate of need process evaluates proposals by certain health care providers to expand health care activities and reviews the potential impact of the expansion on a community's need for the service. A certificate of need from the Department of Health (Department) is required prior to the construction, renovation, or sale of a health care facility; changes in bed capacity; an increase in the number of dialysis stations at a kidney disease treatment center; or the addition of specialized health services. Under the program, the Department reviews the project using specific criteria related to community need, quality of services, financial feasibility, and the impact on health care costs in the community. A facility or service that is subject to the certificate of need program must be approved prior to beginning operations.

Certificate of need requirements have been suspended until June 30, 2021, for certain entities that increase the number of beds used to provide psychiatric services. The exemptions apply to situations in which:

- an acute care hospital changes the use of existing beds to provide psychiatric services or adds new psychiatric beds;
- a psychiatric hospital adds up to 30 new psychiatric beds;
- a psychiatric hospital adds up to 60 psychiatric beds, pursuant to a grant from the Department of Commerce awarded in fiscal year 2019, to be used for treating adults on 90- or 180-day involuntary commitment orders; and
- an entity constructs 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.

**Summary of Amended Bill:**

The suspension of certificate of need requirements for acute care hospitals changing the use of existing licensed beds to psychiatric services or adding new psychiatric beds is extended from June 30, 2021, to June 30, 2023.

The suspension of certificate of need requirements for an entity constructing 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, is extended from June 30, 2021, to June 30, 2023.

The certificate of need exemption is eliminated for psychiatric hospitals adding up to 60 psychiatric beds, pursuant to a grant from the Department of Commerce awarded in fiscal year 2019, to be used for treating adults on 90- or 180-day involuntary commitment orders. The suspension of certificate of need requirements for psychiatric hospitals adding up to 30 new beds is extended from June 30, 2021, to June 30, 2023, with the limitation that the beds be devoted solely for persons on 90- or 180-day involuntary commitment orders. Additionally, certificate of need requirements are suspended for psychiatric hospitals adding

up to 30 new voluntary psychiatric beds or involuntary psychiatric beds for patients on a 120-hour detention or 14-day civil commitment order. The beds added by psychiatric hospitals must remain the type of psychiatric beds indicated in the original application unless a certificate of need is granted to change their use.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and takes effect on July 1, 2021.

**Staff Summary of Public Testimony:**

(In support) The pandemic and current economic situation has slowed the movement toward integrated health care and moving patients out of the state hospitals and into the community. Hospitals are willing to build more beds, but the certificate of need exemption that allows the siting and construction of new beds needs to stay available to facilitate that transition.

(Opposed) None.

(Other) In states that have repealed their certificate of need laws, patients have greater access to care, better quality of care, and lower cost of care. States can eliminate certificate of need requirements that restrict access to services used by vulnerable populations, such as psychiatric services or substance use disorder services.

**Persons Testifying:** (In support) Len McComb, Washington State Hospital Association.

(Other) Matthew Mitchell, Mercatus Center at George Mason University.

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