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**HOUSE BILL 2128**

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**State of Washington 68th Legislature 2024 Regular Session**

**By** Representatives Schmick, Graham, Macri, Harris, Jacobsen, and Hutchins

AN ACT Relating to the modernization of the certificate of need program; creating a new section; and providing an expiration date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec.**  (1) The certificate of need modernization task force is established with members as provided in this subsection:

(a) The speaker of the house of representatives shall appoint one member from each of the two largest caucuses of the house of representatives;

(b) The president of the senate shall appoint one member from each of the two largest caucuses of the senate;

(c) The secretary of the department of health, or the secretary's designee;

(d) The director of the health care authority, or the director's designee;

(e) The secretary of the department of social and health services, or the secretary's designee; and

(f) The following individuals appointed by the governor:

(i) A health care economist;

(ii) A representative of private employer-sponsored health benefits purchasers;

(iii) A representative of labor organizations;

(iv) A representative of health carriers;

(v) A representative of an organization that represents health care consumers; and

(vi) One representative from each category of health care facility, as specified in the definition of "health care facility" in RCW 70.38.025.

(2)(a) The task force shall review the following issues:

(i) The role that the certificate of need program may or may not have in the current health care system with respect to containing health care costs associated with the health care system, as a whole, and for each category of health care facility, health service, or other activity subject to the certificate of need program under RCW 70.38.105;

(ii) Whether or not the certificate of need program promotes and facilitates patient care in urban, suburban, and rural parts of Washington for each category of health care facility, health service, or other activity subject to the certificate of need program under RCW 70.38.105;

(iii) Whether or not the certificate of need program increases the quality of health care services;

(iv) Whether or not patients have more health care choices because of the certificate of need program;

(v) Whether or not the certificate of need program facilitates the adoption of innovative and cost-effective new health care technologies;

(vi) Whether or not the certificate of need program reduces the overutilization of health care services;

(vii) Whether or not the certificate of need program assists in the establishment of an adequate health care workforce;

(viii) Whether or not the certificate of need program creates an unnecessary barrier to the establishment of needed health care facilities and health services;

(ix) Ways to modernize the certificate of need program to improve its performance with respect to the items identified in (a)(i) through (viii) of this subsection, including:

(A) Consideration of the need to continue to require the coverage of each category of health care facility, health service, or other activity subject to the certificate of need program under RCW 70.38.105, and consideration of the elimination of any categories from certificate of need coverage or elimination of the certificate of need program, as a whole;

(B) Consideration of the need to expand the certificate of need program to include other health care facilities, health services, or other activities;

(C) Ways to improve the certificate of need program through modernizing its goals, criteria, and processes; and

(D) Options to make the certificate of need program work better to meet the needs of patients in Washington; and

(x) Ways to improve strategic health planning activities as the basis of certificate of need program decisions and for identifying other trends in the availability of health care across the state. The task force must review the statewide health resources strategy established in chapter 43.370 RCW, assess its value in the certificate of need program or other areas of the health care system, consider ways the strategy may be improved, and explore whether it should be reinstated or replaced by another planning system. If the task force concludes that the strategy should be replaced, it shall consider the goals and purposes of the new planning system and the structure of that planning system.

(b) The task force shall review the issues in (a) of this subsection in light of:

(i) Recent and projected population and demographic trends in Washington, including age, race, ethnicity, gender, and geographic population density; and

(ii) Recent and projected developments in the health care system in Washington and nationally, including health care workforce shortages, health care provider consolidation within the health care system, the increased use of telemedicine and other new methods of accessing and providing care, the increased availability of information for patients about health care provider and facility cost and quality, state and national health care initiatives since 2010, and the increased availability of data related to the delivery and cost of health care.

(3)(a) The secretary of the department of health, or the secretary's designee, shall serve as the chair of the task force. The chair is responsible for convening meetings of the task force.

(b) The department of health shall provide staff support to the task force. The department of health may contract or hire dedicated staff to provide facilitation and project management support for the task force.

(4)(a) Members are not entitled to reimbursement for travel expenses if they are participating on behalf of an employer, governmental entity, or other organization.

(b) Any reimbursement for members not identified in (a) of this subsection is subject to chapter 43.03 RCW.

(5) The task force shall submit its findings and recommendations to the governor and each chamber of the legislature in two phases.

(a) By December 15, 2024, the task force must submit a report with its findings and recommendations related to whether or not the certificate of need program should be discontinued in light of the review conducted under subsection (2) of this section.

(b) By November 15, 2025, the task force must submit a report with findings and recommendations related to:

(i) If the December 15, 2024, report finds that the certificate of need program should be discontinued in its entirety, alternatives to the certificate of need program that will address the items identified in subsection (2)(a)(i) through (viii) of this section; or

(ii) If the December 15, 2024, report finds that the certificate of need program should be continued, options for improving the program's operations so that it can better address the items in subsection (2) of this section.

(6) This section expires July 1, 2026.

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