

SSB 5568 - H COMM AMD
By Committee on Appropriations

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) In 1987, as directed by the state
4 health planning and resources development act, the state health
5 coordinating council released the state health plan, which set forth
6 objectives for the improvement of health status and development of
7 health services in the state. The plan included recommendations on
8 improving the health status of Washingtonians, improving access and
9 quality of care, containing health care cost growth, and planning for
10 long-term care needs.

11 (2) In 2006, the legislature created the blue ribbon commission
12 on health care costs and access. The commission was tasked with
13 developing a five-year plan for substantially improving access to
14 affordable health care for all Washington residents. In 2007, the
15 legislature enacted several recommendations from the commission
16 including directing the office of financial management to develop a
17 statewide health resources strategy to establish statewide health
18 planning policies and goals related to the availability of health
19 care facilities and services, quality of care, and cost of care.
20 Certificate of need determinations must be consistent with that
21 strategy.

22 (3) In 2024, the legislature directed the department of health to
23 conduct an analysis of the certificate of need program and report its
24 findings and recommendations for statutory updates by June 30, 2025.
25 Under this determination, the department must, at a minimum, consider
26 other state approaches to certificates of need, impacts on access to
27 care, cost control of health services, and equity, and approaches to
28 identifying health care service needs at the statewide and community
29 levels.

30 (4) The legislature intends to renew efforts to develop a
31 sustainable state health plan and resource strategy by updating

1 duties assigned to the office of financial management in chapter
2 43.370 RCW.

3 **Sec. 2.** RCW 43.370.010 and 2007 c 259 s 50 are each amended to
4 read as follows:

5 The definitions in this section apply throughout this chapter
6 unless the context clearly requires otherwise.

7 (1) "Health care provider" means an individual who holds a
8 license issued by a disciplining authority identified in RCW
9 18.130.040 and who practices his or her profession in a health care
10 facility or provides a health service.

11 (2) "Health facility" or "facility" means hospices licensed under
12 chapter 70.127 RCW, hospitals licensed under chapter 70.41 RCW, rural
13 health care facilities as defined in RCW 70.175.020, (~~psychiatric~~)
14 behavioral health hospitals licensed under chapter 71.12 RCW, nursing
15 homes licensed under chapter 18.51 RCW, community mental health
16 centers licensed under chapter 71.05 or 71.24 RCW, kidney disease
17 treatment centers under chapter 70.38 RCW, ambulatory diagnostic,
18 treatment, or surgical facilities under chapter 70.230 RCW, drug and
19 alcohol treatment facilities licensed under chapter (~~70.96A~~) 71.24
20 RCW, and home health agencies licensed under chapter 70.127 RCW, and
21 includes such facilities if owned and operated by a political
22 subdivision, including a public hospital district, or instrumentality
23 of the state and such other facilities as required by federal law and
24 implementing regulations.

25 (3) "Health service" or "service" means that service, including
26 primary care service, offered or provided by health care facilities
27 and health care providers relating to the prevention, cure, or
28 treatment of illness, injury, or disease.

29 (4) "Health service area" means a geographic region appropriate
30 for effective health planning that includes a broad range of health
31 services.

32 (5) "Office" means the office of financial management.

33 (6) "Strategy" means the statewide health resources strategy.

34 **Sec. 3.** RCW 43.370.020 and 2010 1st sp.s. c 7 s 113 are each
35 amended to read as follows:

36 (1) The office shall serve as a coordinating body for public and
37 private efforts to improve quality in health care, promote cost-
38 effectiveness in health care, and plan health facility and health

1 service availability. In addition, the office shall facilitate access
2 to health care data collected by public and private organizations as
3 needed to conduct its planning responsibilities.

4 (2) The office shall:

5 (a) Conduct strategic health planning activities related to the
6 preparation of the strategy, as specified in this chapter;

7 (b) Develop a computerized system for accessing, analyzing, and
8 disseminating data relevant to strategic health planning
9 responsibilities. The office may contract with an organization to
10 create the computerized system capable of meeting the needs of the
11 office;

12 (c) Have access to the information submitted as part of the
13 health professional licensing application and renewal process,
14 excluding social security number and background check information,
15 whether the license is issued by the secretary of the department of
16 health or a board or commission. The office shall also have access to
17 information submitted to the department of health as part of the
18 medical or health facility licensing process. Access to and use of
19 all data shall be in accordance with state and federal
20 confidentiality laws and ethical guidelines, and the office shall
21 maintain the same degree of confidentiality as the department of
22 health. For professional licensing information provided to the
23 office, the department of health shall replace any social security
24 number with an alternative identifier capable of linking all
25 licensing records of an individual; (~~and~~)

26 (d) Have access to and use of the data contained in the all-payer
27 claims database and information submitted to the health care
28 authority as part of the annual reporting process;

29 (e) Have access to and use of other relevant health care
30 authority, department of health, office of the insurance
31 commissioner, health benefit exchange, and department of social and
32 health services data, where doing so would avoid duplicating
33 collection efforts; and

34 (f) Conduct research and analysis or arrange for research and
35 analysis projects to be conducted by public or private organizations
36 to further the purposes of the strategy.

37 (3) Access to and use of all data received from other entities
38 shall be in accordance with state and federal confidentiality laws
39 and ethical guidelines, and the office shall maintain the same degree
40 of confidentiality and nondisclosure as the originating entity.

1 **Sec. 4.** RCW 43.370.030 and 2010 1st sp.s. c 7 s 114 are each
2 amended to read as follows:

3 (1) The office (~~shall develop~~), in coordination with relevant
4 public and private stakeholders, shall update the state health plan
5 by developing a statewide health resources strategy. The strategy
6 shall establish statewide health planning policies and goals related
7 to the availability of health care facilities and services, quality
8 of care, and cost of care. The strategy shall identify needs
9 according to geographic regions suitable for comprehensive health
10 planning as designated by the office.

11 (2) The development of the strategy shall consider the following
12 general goals and principles:

13 (a) That excess capacity of health services and facilities place
14 considerable economic burden on the public who pay for the
15 construction and operation of these facilities as patients, health
16 insurance purchasers, carriers, and taxpayers; (~~and~~)

17 (b) That the development and ongoing maintenance of current and
18 accurate health care information and statistics related to cost and
19 quality of health care, as well as projections of need for health
20 facilities and services, are essential to effective strategic health
21 planning; and

22 (c) That a statewide health resources strategy should take into
23 consideration the principles of health equity.

24 (3) The strategy, with public input by health service areas,
25 shall include:

26 (a) A health system assessment and objectives component that:

27 (i) Describes state and regional population demographics, health
28 status indicators, and trends in health status and health care needs;
29 and

30 (ii) Identifies key policy objectives for the state health system
31 related to access to care, health outcomes, quality, and cost-
32 effectiveness;

33 (b) A health care facilities and services plan that shall assess
34 the demand for health care facilities and services to inform state
35 health planning efforts and direct certificate of need
36 determinations, for those facilities and services subject to
37 certificate of need as provided in chapter 70.38 RCW. The plan shall
38 include:

39 (i) An inventory of each geographic region's existing health care
40 facilities and services;

1 (ii) Projections of need for each category of health care
2 facility and service, including those subject to certificate of need;

3 (iii) Policies to guide the addition of new or expanded health
4 care facilities and services to promote the use of quality, evidence-
5 based, cost-effective health care delivery options, including any
6 recommendations for criteria, standards, and methods relevant to the
7 certificate of need review process; and

8 (iv) An assessment of the availability of health care providers,
9 public health resources, transportation infrastructure, and other
10 considerations necessary to support the needed health care facilities
11 and services in each region;

12 (c) A health care data resource plan that identifies data
13 elements necessary to properly conduct planning activities and to
14 review certificate of need applications, including data related to
15 inpatient and outpatient utilization and outcomes information, and
16 financial and utilization information related to charity care,
17 quality, and cost. The plan shall inventory existing data resources,
18 both public and private, that store and disclose information relevant
19 to the health planning process, including information necessary to
20 conduct certificate of need activities pursuant to chapter 70.38 RCW.
21 The plan shall identify any deficiencies in the inventory of existing
22 data resources and the data necessary to conduct comprehensive health
23 planning activities. The plan may recommend that the office be
24 authorized to access existing data sources and conduct appropriate
25 analyses of such data or that other agencies expand their data
26 collection activities as statutory authority permits. The plan may
27 identify any computing infrastructure deficiencies that impede the
28 proper storage, transmission, and analysis of health planning data.
29 The plan shall provide recommendations for increasing the
30 availability of data related to health planning to provide greater
31 community involvement in the health planning process and consistency
32 in data used for certificate of need applications and determinations;

33 (d) An assessment of emerging trends in health care delivery and
34 technology as they relate to access to health care facilities and
35 services, quality of care, and costs of care. The assessment shall
36 recommend any changes to the scope of health care facilities and
37 services covered by the certificate of need program that may be
38 warranted by these emerging trends. In addition, the assessment may
39 recommend any changes to criteria used by the department to review
40 certificate of need applications, as necessary;

1 (e) A rural health resource plan to assess the availability of
2 health resources in rural areas of the state, assess the unmet needs
3 of these communities, and evaluate how federal and state
4 reimbursement policies can be modified, if necessary, to more
5 efficiently and effectively meet the health care needs of rural
6 communities. The plan shall consider the unique health care needs of
7 rural communities, the adequacy of the rural health workforce, and
8 transportation needs for accessing appropriate care.

9 (4) The office shall submit ~~((the initial strategy))~~ a
10 preliminary report outlining its work in developing a state health
11 resources strategy by July 1, 2026. The office shall submit the
12 completed health resources strategy report to the governor and the
13 appropriate committees of the senate and house of representatives by
14 ~~((January 1, 2010. Every two))~~ December 31, 2027. The report must
15 include projections and policy recommendations through 2032.
16 Beginning January 1, 2033, the office shall report on strategy
17 updates and implementation every four years ~~((the office shall submit~~
18 ~~an updated strategy. The health care facilities and services plan as~~
19 ~~it pertains to a distinct geographic planning region may be updated~~
20 ~~by individual categories on a rotating, biannual schedule))~~.

21 (5) The office shall hold at least one virtual or hybrid public
22 hearing and allow opportunity to submit written comments prior to the
23 issuance of the ~~((initial))~~ preliminary report outlining its work in
24 developing the state health resources strategy ~~((or an))~~ and at least
25 one virtual or hybrid public meeting before issuance of the completed
26 health resources strategy report and any updated strategy reports.
27 ~~((A public hearing shall be held prior to issuing a draft of an~~
28 ~~updated health care facilities and services plan, and another public~~
29 ~~hearing shall be held before final adoption of an updated health care~~
30 ~~facilities and services plan. Any hearing related to updating a~~
31 ~~health care facilities and services plan for a specific planning~~
32 ~~region shall be held in that region with sufficient notice to the~~
33 ~~public and an opportunity to comment.))~~

34 **Sec. 5.** RCW 43.370.040 and 2007 c 259 s 53 are each amended to
35 read as follows:

36 The office shall submit the strategy to the department of health
37 to direct its activities related to the certificate of need review
38 program under chapter 70.38 RCW. As the health care facilities and
39 services plan is updated for any specific geographic planning region,

1 the office shall submit that plan to the department of health to
2 direct its activities related to the certificate of need review
3 program under chapter 70.38 RCW. The office shall not issue
4 determinations of the merits of specific project proposals submitted
5 by applicants for certificates of need. The department of health may
6 not adopt rules in response to the strategy issued in 2027."

7 Correct the title.

EFFECT: Requires the Office of Financial Management to report on strategy updates and implementation every four years instead of every two years. Prohibits the Department of Health from updating Certificate of Need rules in response to the statewide health resources strategy issued in 2027.

--- END ---