CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5568

Chapter 388, Laws of 2025

69th Legislature
2025 Regular Session

STATE HEALTH PLAN—UPDATES

EFFECTIVE DATE: July 27, 2025

Passed by the Senate April 23, 2025
Yeas 34 Nays 13

DENNY HECK

President of the Senate

Passed by the House April 15, 2025
Yeas 59 Nays 38

LAURIE JINKINS

Speaker of the House of Representatives

Approved May 20, 2025 10:51 AM

BOB FERGUSON

Governor of the State of Washington

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5568** as passed by the Senate and the House of Representatives on the dates hereon set forth.

SARAH BANNISTER

Secretary

FILED

May 21, 2025

Secretary of State
State of Washington

SUBSTITUTE SENATE BILL 5568

AS AMENDED BY THE HOUSE

Passed Legislature - 2025 Regular Session

State of Washington 69th Legislature 2025 Regular Session

By Senate Health & Long-Term Care (originally sponsored by Senators Cleveland, Cortes, Nobles, and Riccelli)

READ FIRST TIME 02/14/25.

AN ACT Relating to updating and modernizing the Washington state health plan; amending RCW 43.370.010, 43.370.020, 43.370.030, and 43.370.040; and creating a new section.

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

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

(2) In 2006, the legislature created the blue ribbon commission on health care costs and access. The commission was tasked with developing a five-year plan for substantially improving access to affordable health care for all Washington residents. In 2007, the legislature enacted several recommendations from the commission including directing the office of financial management to develop a statewide health resources strategy to establish statewide health planning policies and goals related to the availability of health care facilities and services, quality of care, and cost of care.

Certificate of need determinations must be consistent with that strategy.

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

(4) The legislature intends to renew efforts to develop a sustainable state health plan and resource strategy by updating duties assigned to the office of financial management in chapter 43.370 RCW.

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

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

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

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

(3) "Health service" or "service" means that service, including primary care service, offered or provided by health care facilities

and health care providers relating to the prevention, cure, or treatment of illness, injury, or disease.

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

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

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

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

(1) The office shall serve as a coordinating body for public and private efforts to improve quality in health care, promote cost-effectiveness in health care, and plan health facility and health service availability. In addition, the office shall facilitate access to health care data collected by public and private organizations as needed to conduct its planning responsibilities.

(2) The office shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) A health care data resource plan that identifies data elements necessary to properly conduct planning activities and to review certificate of need applications, including data related to inpatient and outpatient utilization and outcomes information, and financial and utilization information related to charity care, quality, and cost. The plan shall inventory existing data resources, both public and private, that store and disclose information relevant to the health planning process, including information necessary to conduct certificate of need activities pursuant to chapter 70.38 RCW. The plan shall identify any deficiencies in the inventory of existing data resources and the data necessary to conduct comprehensive health planning activities. The plan may recommend that the office be

authorized to access existing data sources and conduct appropriate analyses of such data or that other agencies expand their data collection activities as statutory authority permits. The plan may identify any computing infrastructure deficiencies that impede the proper storage, transmission, and analysis of health planning data. The plan shall provide recommendations for increasing the availability of data related to health planning to provide greater community involvement in the health planning process and consistency in data used for certificate of need applications and determinations;

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

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

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

(5) The office shall hold at least one virtual or hybrid public hearing and allow opportunity to submit written comments prior to the issuance of the ((~~initial~~)) preliminary report outlining its work in

developing the state health resources strategy ((~~or an~~)) and at least one virtual or hybrid public meeting before issuance of the completed health resources strategy report and any updated strategy reports. ((~~A public hearing shall be held prior to issuing a draft of an updated health care facilities and services plan, and another public hearing shall be held before final adoption of an updated health care facilities and services plan. Any hearing related to updating a health care facilities and services plan for a specific planning region shall be held in that region with sufficient notice to the public and an opportunity to comment.~~))

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

The office shall submit the strategy to the department of health to direct its activities related to the certificate of need review program under chapter 70.38 RCW. As the health care facilities and services plan is updated for any specific geographic planning region, the office shall submit that plan to the department of health to direct its activities related to the certificate of need review program under chapter 70.38 RCW. The office shall not issue determinations of the merits of specific project proposals submitted by applicants for certificates of need. The department of health may not adopt rules in response to the strategy issued in 2027.

Passed by the Senate April 23, 2025.
Passed by the House April 15, 2025.
Approved by the Governor May 20, 2025.
Filed in Office of Secretary of State May 21, 2025.

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