

HOUSE BILL NO. 511

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE SAMUELS

Introduced: 2/16/04

Referred: Health, Education and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the certificate of need program for health care facilities; and**
2 **providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** AS 18.07.031(c) is amended to read:

5 (c) Notwithstanding (a) of this section, a person who is lawfully operating a
6 health care facility that is an ambulatory surgical facility at a site may make an
7 expenditure of any amount in order to relocate the services of that facility to a new site
8 in the same community without obtaining a certificate of need as long as neither the
9 bed capacity nor the number of categories of health services provided at the new site is
10 greater. [HOWEVER, NOTWITHSTANDING THE EXPENDITURE THRESHOLD
11 IN (a) OF THIS SECTION, A PERSON MAY NOT USE THE SITE FROM WHICH
12 THE HEALTH CARE FACILITY RELOCATED FOR ANOTHER HEALTH CARE
13 FACILITY UNLESS AUTHORIZED UNDER A CERTIFICATE OF NEED ISSUED
14 BY THE DEPARTMENT.]

1 * **Sec. 2.** AS 18.07.031 is amended by adding new subsections to read:

2 (d) A person who relocates a health care facility under (c) of this section may
3 only relocate one time without a certificate of need.

4 (e) In (a) of this section, "expenditure" includes the net present value of a
5 lease for space occupied by or the equipment required for a health care facility.

6 * **Sec. 3.** AS 18.07.043 is amended to read:

7 **Sec. 18.07.043. Standard of review for applications for certificates of need**
8 **relating to nursing homes, [AND] nursing home beds, and secure residential**
9 **psychiatric treatment centers.** (a) The department shall develop review standards
10 for an application for a certificate of need, or for a modification of a certificate of
11 need, issued under this chapter for a health care facility that is a nursing home **or**
12 **secure residential psychiatric treatment center,** or **that** has nursing home beds.

13 (b) In developing the review standards under (a) of this section, the
14 department shall consider whether

15 (1) a public process and existing appropriate statewide, regional, and
16 local plans were included in planning and designing **the secure residential**
17 **psychiatric treatment center,** the additional nursing home beds, or the **nursing home**
18 [HEALTH CARE FACILITY];

19 (2) the **secure residential psychiatric treatment center, the**
20 additional nursing home beds, or the **nursing home** [HEALTH CARE FACILITY]
21 meets minimum required use rates for, **as applicable, the secure residential**
22 **psychiatric treatment center or** new nursing beds, and the effect on use rates for
23 existing nursing home beds;

24 (3) the **secure residential psychiatric treatment center, the facility**
25 **proposing** additional nursing home beds, or the **nursing home** [HEALTH CARE
26 FACILITY] demonstrates consideration of the community, regional, and statewide
27 needs for, **as applicable, the secure residential psychiatric treatment center or the**
28 new nursing home beds;

29 (4) the **secure residential psychiatric treatment center, the**
30 additional nursing home beds, or the **nursing home** [HEALTH CARE FACILITY]
31 meets the minimum number of, **as applicable, secure residential psychiatric**

1 **treatment beds or** new nursing beds that should be required in a facility to ensure
2 efficiency and economies of scale;

3 (5) the **secure residential psychiatric treatment center, the facility**
4 **proposing** additional nursing home beds, or the **nursing home** [HEALTH CARE
5 FACILITY] demonstrates the proposed service will provide a quality of care
6 equivalent to existing community, regional, or statewide services;

7 (6) the **secure residential psychiatric treatment center, the facility**
8 **proposing** additional nursing home beds, or the **nursing home** [HEALTH CARE
9 FACILITY] demonstrates financial feasibility, including long-term viability, and what
10 the financial effect will be on consumers and the state; and

11 (7) the sponsor has demonstrated cost effectiveness through
12 considering the availability of appropriate, less costly alternatives of providing the
13 services planned.

14 (c) The department shall grant a sponsor a certificate of need or modify a
15 certificate of need that authorizes **a secure residential psychiatric treatment center**
16 **or** nursing home beds, or that is for a health care facility that is a nursing home, if the
17 department finds that the sponsor meets the standards established in or under this
18 chapter.

19 * **Sec. 4.** AS 18.07.111(8) is amended to read:

20 (8) "health care facility" means a private, municipal, state, or federal
21 hospital, psychiatric hospital, **independent diagnostic testing facility, secure**
22 **residential psychiatric treatment center,** tuberculosis hospital, skilled nursing
23 facility, kidney disease treatment center (including freestanding hemodialysis units),
24 intermediate care facility, and ambulatory surgical facility; the term excludes

25 (A) an Alaska Pioneers' Home administered by the Department
26 of Administration under AS 44.21.02(9) and AS 47.55; and

27 (B) the offices of private physicians or dentists whether in
28 individual or group practice;

29 * **Sec. 5.** AS 18.07.111 is amended by adding a new paragraph to read:

30 (10) "secure residential psychiatric treatment center" has the meaning
31 given in AS 47.35.900.

1 * **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to
2 read:

3 APPLICABILITY. AS 18.07.031(d) and (e), enacted by sec. 2 of this Act, apply to a
4 health care facility that enters into a lease agreement for the space occupied or equipment
5 required for that facility on or after the effective date of this Act.

6 * **Sec. 7.** This Act takes effect immediately under AS 01.10.070(c).