

**CS FOR HOUSE BILL NO. 511(HES)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered: 3/24/04

Referred: Finance

Sponsor(s): REPRESENTATIVE SAMUELS

**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 residential psychiatric**  
9 **treatment centers.** (a) The department shall develop review standards for an  
10 application for a certificate of need, or for a modification of a certificate of need,  
11 issued under this chapter for a health care facility that is a nursing home **or residential**  
12 **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 residential psychiatric**  
17 **treatment center,** the additional nursing home beds, or the **nursing home** [HEALTH  
18 CARE FACILITY];

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

24 (3) the **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 residential psychiatric treatment center or the** new  
28 nursing home beds;

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

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

3 (5) the **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 **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 residential psychiatric treatment center or**  
16 **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, residential**  
22 **psychiatric treatment center,** tuberculosis hospital, skilled nursing facility, kidney  
23 disease treatment center (including freestanding hemodialysis units), intermediate care  
24 facility, and ambulatory surgical facility; the term excludes

25 (A) an Alaska Pioneers' Home administered by the Department  
26 of **Health and Social Services** [ADMINISTRATION] under [AS 44.21.020(9)  
27 AND] AS 47.55; and

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

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

31 (10) "residential psychiatric treatment center" means a secure or semi-

1 secure psychiatric facility or inpatient program in a psychiatric facility that is licensed  
2 by the Department of Health and Social Services and that provides therapeutically  
3 appropriate and medically necessary diagnostic, evaluation, and treatment services

4 (A) 24 hours a day for children with severe emotional or  
5 behavioral disorders;

6 (B) under the direction of a physician; and

7 (C) under a professionally developed and supervised individual  
8 plan of care designed to achieve the recipient's discharge from inpatient status  
9 at the earliest possible time that is intensively and collaboratively delivered by  
10 an interdisciplinary team involving medical, mental health, educational, and  
11 social service components.

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

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

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