

CS FOR HOUSE BILL NO. 511(HES) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Amended: 4/23/04

Offered: 3/24/04

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 18.07.035 is amended by adding new subsections to read:

7 (b) The department may require a person who intends to submit an application
8 under (a) of this section to submit a letter of intent to the department, except in the
9 case of an application for an emergency or temporary certificate of need authorized
10 under AS 18.07.071.

11 (c) The department shall notify the applicant in writing when the application is
12 complete under this chapter.

13 * **Sec. 4.** AS 18.07.043 is amended to read:

14 **Sec. 18.07.043. Standard of review for applications for certificates of need**
15 **relating to nursing homes, [AND] nursing home beds, and residential psychiatric**
16 **treatment centers.** (a) The department shall develop review standards for an
17 application for a certificate of need, or for a modification of a certificate of need,
18 issued under this chapter for a health care facility that is a nursing home **or residential**
19 **psychiatric treatment center,** or **that** has nursing home beds.

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

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

26 (2) the **residential psychiatric treatment center, the** additional
27 nursing home beds, or the **nursing home** [HEALTH CARE FACILITY] meets
28 minimum required use rates for, **as applicable, the residential psychiatric treatment**
29 **center or** new nursing beds, and the effect on use rates for existing nursing home
30 beds;

31 (3) the **residential psychiatric treatment center, the facility**

1 **proposing** additional nursing home beds, or the **nursing home** [HEALTH CARE
2 FACILITY] demonstrates consideration of the community, regional, and statewide
3 needs for, **as applicable, the residential psychiatric treatment center or the** new
4 nursing home beds;

5 (4) the **residential psychiatric treatment center, the** additional
6 nursing home beds, or the **nursing home** [HEALTH CARE FACILITY] meets the
7 minimum number of, **as applicable, residential psychiatric treatment beds or** new
8 nursing beds that should be required in a facility to ensure efficiency and economies of
9 scale;

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

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

18 (7) the sponsor has demonstrated cost effectiveness through
19 considering the availability of appropriate, less costly alternatives of providing the
20 services planned.

21 (c) The department shall grant a sponsor a certificate of need or modify a
22 certificate of need that authorizes **a residential psychiatric treatment center or**
23 nursing home beds, or that is for a health care facility that is a nursing home, if the
24 department finds that the sponsor meets the standards established in or under this
25 chapter.

26 * **Sec. 5.** AS 18.07 is amended by adding a new section to read:

27 **Sec. 18.07.045. Time standards for review of applications for certificates**
28 **of need.** (a) The following time standards apply for a review by the department of an
29 application for a certificate of need under this chapter:

30 (1) the department may defer commencement of the review process
31 under this chapter for an application for a period not to exceed 60 days after the

1 determination that the application is complete in order to allow the department to
 2 receive and consider concurrent applications from each person who has submitted a
 3 letter of intent to submit an application proposing an activity that is similar to the
 4 activity proposed by the application in the geographic area;

5 (2) the department shall review the application made under this chapter
 6 and submit an analysis and recommendation to the commissioner within 60 days after
 7 the date that notification under AS 18.07.035(c) is sent to the applicant stating that the
 8 application is complete.

9 (b) The commissioner may extend the time periods set out in (a) of this section
 10 for not more than 30 days for any of the following reasons:

11 (1) the applicant amends the application under this chapter;

12 (2) the department requests an extension of time within which to
 13 prepare its findings and recommendations on the application; the commissioner may
 14 grant only one extension under this paragraph.

15 * **Sec. 6.** AS 18.07.111(8) is amended to read:

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

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

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

26 * **Sec. 7.** AS 18.07.111 is amended by adding a new paragraph to read:

27 (10) "residential psychiatric treatment center" means a secure or semi-
 28 secure psychiatric facility or inpatient program in a psychiatric facility that is licensed
 29 by the Department of Health and Social Services and that provides therapeutically
 30 appropriate and medically necessary diagnostic, evaluation, and treatment services

31 (A) 24 hours a day for children with severe emotional or

1 behavioral disorders;

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

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

8 * **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to
9 read:

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

13 (b) AS 18.07.035(b) and (c) and 18.07.045, enacted by secs. 3 and 5 of this Act,
14 respectively, apply to a certificate of need application filed with the Department of Health and
15 Social Services after the effective date of this Act.

16 * **Sec. 9.** This Act takes effect immediately under AS 01.10.070(c).