

**SENATE BILL NO. 65**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY SENATOR HUGGINS

Introduced: 1/26/07

Referred: Health, Education and Social Services, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act amending the certificate of need requirements to apply only to health care  
2 facilities that are nursing homes or residential psychiatric treatment centers or that are  
3 located in a borough with a population of not more than 25,000, in the unorganized  
4 borough, or in a community with a critical access hospital."

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

6 \* **Section 1.** AS 18.07.031(a) is amended to read:

7 (a) Except as provided in (c), (d) and (g) [(c) AND (d)] of this section, a  
8 person may not make an expenditure of \$1,000,000 or more for any of the following  
9 in a borough with a population of not more than 25,000, in the unorganized  
10 borough, or in a community in which a facility has been designated by the  
11 department as a critical access hospital, unless authorized under the terms of a  
12 certificate of need issued by the department:

- 13 (1) construction of a health care facility;  
14 (2) alteration of the bed capacity of a health care facility; or

1 (3) addition of a category of health services provided by a health care  
2 facility.

3 \* **Sec. 2.** AS 18.07.031(b) is amended to read:

4 (b) Notwithstanding the expenditure threshold in (g) [(a)] of this section, a  
5 person may not convert a building or part of a building to a nursing home that requires  
6 licensure as a nursing facility under AS 47.32 unless authorized under the terms of a  
7 certificate of need issued by the department.

8 \* **Sec. 3.** AS 18.07.031 is amended by adding new subsections to read:

9 (f) In this section, reference to the department's designation of a facility as a  
10 critical access hospital means action taken by regulatory authority exercised under  
11 AS 18.05 or AS 18.20 by which a facility eligible for designation as a critical access  
12 hospital has been so identified.

13 (g) Notwithstanding the limitations in (a) of this section, a person may not  
14 make an expenditure of \$1,000,000 or more for any of the following unless authorized  
15 under the terms of a certificate of need issued by the department:

16 (1) construction of a nursing home or residential psychiatric treatment  
17 center;

18 (2) alteration of the bed capacity of a nursing home or residential  
19 psychiatric treatment center; or

20 (3) addition of a category of health services provided by a nursing  
21 home or residential psychiatric treatment center.

22 \* **Sec. 4.** AS 18.07.111 is amended by adding a new paragraph to read:

23 (11) "nursing home" means a facility that is not used for acute care that  
24 provides nursing care and related medical services 24 hours a day to individuals  
25 admitted to the home because of illness, disease, or physical infirmity.

26 \* **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to  
27 read:

28 APPLICABILITY. Sections 1 - 3 of this Act apply to health care facilities, except for  
29 nursing homes and residential psychiatric treatment centers, in existence or proposed on or  
30 after the effective date of this Act. A decision of the Department of Health and Social  
31 Services denying or granting a certificate of need that has been applied for or issued for a

1 health care facility, except for nursing homes and residential psychiatric treatment centers,  
2 located in an area of the state other than in a borough with a population of not more than  
3 25,000, the unorganized borough, or a community in which a facility has been designated as a  
4 critical access hospital before the effective date of this Act shall be void and unnecessary. A  
5 pending application for a certificate of need for a health care facility, except for nursing  
6 homes and residential psychiatric treatment centers, located in an area of the state other than  
7 in a borough with a population of not more than 25,000, the unorganized borough, or a  
8 community in which a facility has been designated as a critical access hospital before the  
9 effective date of this Act shall be returned to the applicant.