
SENATE BILL 5568

State of Washington

69th Legislature

2025 Regular Session

By Senator Cleveland

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

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

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

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

1 Certificate of need determinations must be consistent with that
2 strategy.

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

11 (4) The legislature intends to renew efforts to develop a
12 sustainable state health plan and resource strategy by updating
13 duties assigned to the office of financial management in chapter
14 43.370 RCW.

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

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

19 (1) "Health care provider" means an individual who holds a
20 license issued by a disciplining authority identified in RCW
21 18.130.040 and who practices his or her profession in a health care
22 facility or provides a health service.

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

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

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

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

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

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

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

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

16 (2) The office shall:

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

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

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

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

4 (3) Access to and use of all health care authority and department
5 of health data shall be in accordance with state and federal
6 confidentiality laws and ethical guidelines, and the office shall
7 maintain the same degree of confidentiality as the health care
8 authority and the department of health.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 (c) A health care data resource plan that identifies data
24 elements necessary to properly conduct planning activities and to
25 review certificate of need applications, including data related to
26 inpatient and outpatient utilization and outcomes information, and
27 financial and utilization information related to charity care,
28 quality, and cost. The plan shall inventory existing data resources,
29 both public and private, that store and disclose information relevant
30 to the health planning process, including information necessary to
31 conduct certificate of need activities pursuant to chapter 70.38 RCW.
32 The plan shall identify any deficiencies in the inventory of existing
33 data resources and the data necessary to conduct comprehensive health
34 planning activities. The plan may recommend that the office be
35 authorized to access existing data sources and conduct appropriate
36 analyses of such data or that other agencies expand their data
37 collection activities as statutory authority permits. The plan may
38 identify any computing infrastructure deficiencies that impede the
39 proper storage, transmission, and analysis of health planning data.
40 The plan shall provide recommendations for increasing the

1 availability of data related to health planning to provide greater
2 community involvement in the health planning process and consistency
3 in data used for certificate of need applications and determinations;

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

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

20 (4) The office shall submit ~~((the initial strategy))~~ a
21 preliminary report outlining its work in developing a state health
22 resources strategy by December 31, 2025. The department shall submit
23 the completed health resources strategy report to the governor and
24 the appropriate committees of the senate and house of representatives
25 by ~~((January 1, 2010. Every))~~ December 31, 2027. The report must
26 include projections and policy recommendations through 2032.
27 Beginning January 1, 2033, the department shall update the strategy
28 every two years ~~((the office shall submit an updated strategy. The~~
29 ~~health care facilities and services plan as it pertains to a distinct~~
30 ~~geographic planning region may be updated by individual categories on~~
31 ~~a rotating, biannual schedule))~~.

32 (5) The ~~((office))~~ department shall hold at least one public
33 hearing and allow opportunity to submit written comments prior to the
34 issuance of the ~~((initial))~~ state health resources strategy ~~((or an))~~
35 and any updated strategy reports. ~~((A public hearing shall be held~~
36 ~~prior to issuing a draft of an updated health care facilities and~~
37 ~~services plan, and another public hearing shall be held before final~~
38 ~~adoption of an updated health care facilities and services plan. Any~~
39 ~~hearing related to updating a health care facilities and services~~

1 ~~plan for a specific planning region shall be held in that region with~~
2 ~~sufficient notice to the public and an opportunity to comment.))~~

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