



RULE-MAKING ORDER PERMANENT RULE ONLY

CR-103P (December 2017) (Implements RCW 34.05.360)

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: July 30, 2024

TIME: 11:15 AM

WSR 24-16-045

Agency: Department of Health

Effective date of rule:

Permanent Rules

- 31 days after filing.
- Other (specify) November 1, 2024 (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

- Yes No If Yes, explain:

Purpose: Acute care and psychiatric hospital facility fees. The Department of Health (department) is adopting amendments to WAC 246-320-199 and 246-322-990 to update fees for acute care hospitals licensed under chapter 246-320 WAC and private psychiatric hospitals licensed under chapter 246-322 WAC. The department is adopting updates to rules regarding acute care and private psychiatric hospital fees to address funding needs and to clarify and standardize language.

The updated fees are necessary to adequately fund the hospital inspection, investigation, and licensing programs to protect patients. RCW 43.70.250 requires that fees must cover regulatory program expenses which necessitates the program(s) to be self-funding and changes to rules are the only way to make fee adjustments. Critical access hospitals have a reduced fee to align with the agency's commitment to equity. Psychiatric hospitals have a reduction in their fee after the initial fee update that will help balance the current shortfalls and long-term needs. The adopted fees will address the backlog costs and the necessary reserve amounts. The department will continue to monitor the finances and propose fee adjustments as needed.

Citation of rules affected by this order:

New: None
 Repealed: None
 Amended: WAC 246-320-199 and 246-322-990.
 Suspended: None

Statutory authority for adoption: RCW 43.70.110 and 43.70.250

Other authority:

PERMANENT RULE (Including Expedited Rule Making)

Adopted under notice filed as WSR 24-11-118 on May 21, 2024 (date).
 Describe any changes other than editing from proposed to adopted version: WAC 246-320-199 Added a footnote to clarify that critical access is a federal designation.

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting: N/A

Name:
 Address:
 Phone:
 Fax:
 TTY:
 Email:
 Web site:
 Other:

**Note: If any category is left blank, it will be calculated as zero.
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.
A section may be counted in more than one category.**

The number of sections adopted in order to comply with:

Federal statute:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
Federal rules or standards:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
Recently enacted state statutes:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>

The number of sections adopted at the request of a nongovernmental entity:

New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
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The number of sections adopted on the agency's own initiative:

New	<u>0</u>	Amended	<u>2</u>	Repealed	<u>0</u>
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The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
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The number of sections adopted using:

Negotiated rule making:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
Pilot rule making:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
Other alternative rule making:	New	<u>0</u>	Amended	<u>2</u>	Repealed	<u>0</u>

Date Adopted: 7/30/2024

Name: Kristin Peterson, JD for Umair A. Shah, MD, MPH

Title: Chief of Policy for Secretary of Health

Signature:



AMENDATORY SECTION (Amending WSR 19-16-049, filed 7/30/19, effective 10/1/19)

WAC 246-320-199 Fees. This section establishes the initial licensure and annual fees for hospitals licensed under chapter 70.41 RCW. The license must be renewed every three years.

(1) Applicants and licensees shall submit to the department:

- (a) An initial license fee (~~((of two hundred twenty dollars))~~) for each bed space within the authorized bed capacity for the hospital;
- (b) An annual fee (~~((of two hundred twenty dollars))~~) for each bed space within the authorized bed capacity of the hospital by November 30th of the year.

(2) As used in this section, a bed space:

- (a) Includes all bed spaces in rooms complying with physical plant and movable equipment requirements of this chapter for (~~((twenty-four))~~) 24-hour assigned patient care;
- (b) Includes level 2 and 3 bassinet spaces;
- (c) Includes bed spaces assigned for less than (~~((twenty-four))~~) 24-hour patient use as part of the licensed bed capacity when:
 - (i) Physical plant requirements of this chapter are met without movable equipment; and
 - (ii) The hospital currently possesses the required movable equipment and certifies this fact to the department.
- (d) Excludes all normal infant bassinets;
- (e) Excludes beds banked as authorized by certificate of need under chapter 70.38 RCW.

(3) A licensee shall submit to the department a late fee (~~((in the amount of one hundred dollars per day))~~) whenever the annual (~~((use))~~) fee is not paid by November 30th. The total late fee will not exceed (~~((twelve hundred dollars))~~) \$1,200.

(4) An applicant may request a refund for initial licensure as follows:

- (a) Two-thirds of the initial fee paid after the department has received an application and not conducted an on-site survey or provided technical assistance; or
- (b) One-third of the initial fee paid after the department has received an application and conducted either an on-site survey or provided technical assistance but not issued a license.

(5) The following fees will be charged:

<u>Fee Type</u>	<u>Acute Care - Critical Access*</u> <u>Fee</u>	<u>Acute Care Fee</u>
<u>Initial Licensure Fee per bed</u>	<u>\$380.00</u>	<u>\$505.00</u>
<u>Renewal Licensure Fee per bed</u>	<u>\$380.00</u>	<u>\$505.00</u>
<u>Late Fee per day</u>	<u>\$100.00</u>	<u>\$100.00</u>

* Federal designation.

WAC 246-322-990 Private psychiatric hospital fees. This section establishes the initial licensure and annual renewal fees for private psychiatric hospitals licensed under chapter 71.12 RCW.

(1) Applicants and licensees shall:

(a) Submit to the department an initial licensure fee (~~(of four hundred ninety-five dollars)~~) for each bed space within the licensed bed capacity of the hospital;

(b) Submit to the department an annual renewal fee (~~(of four hundred ninety-five dollars)~~) for each bed space within the licensed bed capacity of the hospital to the department;

(c) Include all bed spaces and rooms complying with physical plant and movable equipment requirements of this chapter for (~~(twenty-four)~~) 24-hour assigned patient rooms;

(d) Include bed spaces assigned for less than (~~(twenty-four)~~) 24-hour patient use as part of the licensed bed capacity when:

(i) Physical plant requirements of this chapter are met without movable equipment; and

(ii) The private psychiatric hospital currently possesses the required movable equipment and certifies this fact to the department.

(e) Limit licensed bed spaces as required under chapter 70.38 RCW;

(f) Submit applications for bed additions to the department for review and approval under chapter 70.38 RCW subsequent to department establishment of the private psychiatric hospital's licensed bed capacity;

(g) Set up (~~(twenty-four)~~) 24-hour assigned patient beds only within the licensed bed capacity approved by the department.

(2) Refunds. The department shall refund fees paid by the applicant for initial licensure if:

(a) The department has received the application but has not conducted an on-site survey or provided technical assistance, the department will refund two-thirds of the fees paid, less a (~~(fifty-dollar)~~) refund processing fee.

(b) The department has received the application and has conducted an on-site survey or provided technical assistance, the department will refund one-third of the fees paid, less a (~~(fifty-dollar)~~) refund processing fee.

(c) The department will not refund fees if:

(i) The department has performed more than one on-site visit for any purpose;

(ii) One year has elapsed since an initial licensure application is received by the department, and the department has not issued the license because the applicant has failed to complete the requirements for licensure; or

(iii) The amount to be refunded as calculated by (a) or (b) of this subsection is (~~(ten-dollars)~~) \$10 or less.

(3) Between November 1, 2024, and October 31, 2025, the following fees will apply:

Fee Type	Fee
<u>Initial Licensure Fee per bed</u>	<u>\$1,700.00</u>
<u>Renewal Licensure Fee per bed</u>	<u>\$1,700.00</u>

Fee Type	Fee
<u>Refund Processing Fee</u>	<u>\$50.00</u>

(4) On and after November 1, 2025, the following fees apply:

Fee Type	Fee
<u>Initial Licensure Fee per bed</u>	<u>\$1,450.00</u>
<u>Renewal Licensure Fee per bed</u>	<u>\$1,450.00</u>
<u>Refund Processing Fee</u>	<u>\$50.00</u>