

# Kitsap Sun

## **Governor orders overhaul of hospital affiliation process**

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BREMERTON — Gov. Jay Inslee has ordered a landmark overhaul of the state's approval process for hospital affiliations, mergers and other partnership arrangements.

But the proposed affiliation between Harrison Medical Center and Franciscan Health System of Tacoma now awaiting approval might avoid getting caught in the change.

Neither Harrison Chief Executive Officer Scott Bosch nor Franciscan CEO Joe Wilczek was available to talk with the Kitsap Sun on Tuesday.

But Tim Church, spokesman for the state Department of Health, the chief regulator for hospital partnership arrangements, said pending affiliation proposals will be considered under current rules and will not see delays.

The Harrison-Franciscan proposal was submitted to the state for approval June 20.

“Until we have a new rule, the current rule is what we will use to make judgments on any application put in front of us,” Church said. Regarding Harrison and Franciscan, he said, “I do not expect any delay in processing applications related to the rule-making process.”

Harrison and Franciscan, a Catholic system, are proposing an arrangement in which Harrison would remain secular and separate at the onset, offering as full a range of sterilization and end-of-life services as it ever did. However, the proposal appears to allow for change in the future, if that were the desire.

On Friday, the governor ordered the department to modernize its “certificate of need” approval process and apply it to more types of proposals. He stated it had not kept current in light of the high number of health-system combinations taking place in the state under federal reform.

Specifically, he ordered the department to study how affiliations, corporate restructurings, mergers and other arrangements are resulting in outcomes similar to sales, purchases and leases of hospitals, especially when control changes hands.

Under current law, the parties behind many proposals, including the Harrison-Franciscan example, request no more than a streamlined “determination of non-reviewability” from the department. Many, including the largest affiliations, get it. The Harrison-Franciscan application still is pending.

Another outcome from the determination of non-reviewability process is that the department orders the parties to get the more involved certificate of need before proceeding. Currently, this is required for construction of a new facility or a sale. The governor wants this widened to include many more types of proposed combinations, including some affiliations.

Patient-rights groups have called Washington’s system of approval weak. Led by the American Civil Liberties Union of Washington, they say that if all the proposed combinations go through, half the hospital beds in the state will be controlled by Catholics. They fear protected services like abortion, sterilizations and end-of-life care will be diminished, as Catholic hospitals must adhere to Catholic teachings.

The groups in May asked the governor to impose a six-month moratorium on all pending proposals, so that the impact could be studied.

In a letter Friday to the ACLU’s executive director, Inslee stated he didn’t have the authority to impose a moratorium. So far, he wrote, his staff couldn’t find any instances in which Washingtonians have been denied access to those services.

On Monday, the ACLU and the other patient-rights groups welcomed Inslee’s action but said it didn’t go far enough to curb what they persist is the lessening of the full range of services when secular and religious systems combine.

Sheila Reynertson, advocacy coordinator for MergerWatch, a national group monitoring secular-religious combinations, said of the governor’s action, “While we appreciate his willingness to reform the (certificate-of-need) process as quickly as possible, we fear that the Harrison-Franciscan affiliation may sneak over the finish line without the public scrutiny it deserves.”

Also Monday, the Washington State Hospital Association issued a statement that said the group supported the governor’s move and believed that it “will allow for more careful consideration of the issues.”

Church, the department spokesman, said it would take until late this year or early next year for the changes to go into effect. He anticipates public comment on the changes that the department will write up to take place in August. A public hearing could be in September.

Read more (paywall): <http://www.kitsapsun.com/news/2013/jul/02/governor-orders-overhaul-of-hospital-affiliation/#ixzz2Y0C7daq7>