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5 Strike everything after the enacting clause and insert the
6 following:

7 "NEW SECTION. **Sec. 1.** The legislature finds that maintaining
8 the viability of health care service delivery in rural areas of
9 Washington is a primary goal of state health policy. The legislature
10 also finds that most hospitals located in rural Washington are operated
11 by public hospital districts authorized under chapter 70.44 RCW and
12 declares that it is not cost-effective, practical, or desirable to
13 provide quality health and hospital care services in rural areas on a
14 competitive basis because of limited patient volume and geographic
15 isolation. It is the intent of this act to foster the development of
16 cooperative and collaborative arrangements among rural public hospital
17 districts by specifically authorizing cooperative agreements and
18 contracts for these entities under the interlocal cooperation act."

19 "NEW SECTION. **Sec. 2.** A new section is added to chapter 70.44 RCW
20 to read as follows:

21 Unless the context clearly requires otherwise, the definition in
22 this section applies throughout section 3 of this act.

23 "Rural public hospital district" means a public hospital district
24 authorized under chapter 70.44 RCW whose geographic boundaries do not
25 include a city with a population greater than thirty thousand."

1 "NEW SECTION. **Sec. 3.** A new section is added to chapter 70.44 RCW
2 to read as follows:

3 In addition to other powers granted to public hospital districts by
4 chapter 39.34 RCW, rural public hospital districts may enter into
5 cooperative agreements and contracts with other rural public hospital
6 districts in order to provide for the health care needs of the people
7 served by the hospital districts. These agreements and contracts are
8 specifically authorized to include:

9 (1) Allocation of health care services among the different
10 facilities owned and operated by the districts;

11 (2) Combined purchases and allocations of medical equipment and
12 technologies;

13 (3) Joint agreements and contracts for health care service delivery
14 and payment with public and private entities; and

15 (4) Other cooperative arrangements consistent with the intent of
16 chapter ---, Laws of 1992 (this act). The provisions of chapter 39.34
17 RCW shall apply to the development and implementation of the
18 cooperative contracts and agreements."

19 "**Sec. 4.** RCW 39.34.030 and 1990 c 33 s 568 are each amended to
20 read as follows:

21 (1) Any power or powers, privileges or authority exercised or
22 capable of exercise by a public agency of this state may be exercised
23 and enjoyed jointly with any other public agency of this state having
24 the power or powers, privilege or authority, and jointly with any
25 public agency of any other state or of the United States to the extent
26 that laws of such other state or of the United States permit such joint
27 exercise or enjoyment. Any agency of the state government when acting
28 jointly with any public agency may exercise and enjoy all of the

1 powers, privileges and authority conferred by this chapter upon a
2 public agency.

3 (2) Any two or more public agencies may enter into agreements with
4 one another for joint or cooperative action pursuant to the provisions
5 of this chapter: PROVIDED, That any such joint or cooperative action
6 by public agencies which are educational service districts and/or
7 school districts shall comply with the provisions of RCW 28A.320.080.
8 Appropriate action by ordinance, resolution or otherwise pursuant to
9 law of the governing bodies of the participating public agencies shall
10 be necessary before any such agreement may enter into force.

11 (3) Any such agreement shall specify the following:

12 (a) Its duration;

13 (b) The precise organization, composition and nature of any
14 separate legal or administrative entity created thereby together with
15 the powers delegated thereto, provided such entity may be legally
16 created. Such entity may include a nonprofit corporation organized
17 pursuant to chapter 24.03 or 24.06 RCW whose membership is limited
18 solely to the participating public agencies or a partnership organized
19 pursuant to chapter 25.04 RCW whose partners are limited solely to
20 participating public agencies and the funds of any such corporation or
21 partnership shall be subject to audit in the manner provided by law for
22 the auditing of public funds;

23 (c) Its purpose or purposes;

24 (d) The manner of financing the joint or cooperative undertaking
25 and of establishing and maintaining a budget therefor;

26 (e) The permissible method or methods to be employed in
27 accomplishing the partial or complete termination of the agreement and
28 for disposing of property upon such partial or complete termination;

29 (f) Any other necessary and proper matters.

1 (4) In the event that the agreement does not establish a separate
2 legal entity to conduct the joint or cooperative undertaking, the
3 agreement shall, in addition to items (a), (c), (d), (e) and (f)
4 enumerated in subdivision (3) hereof, contain the following:

5 (a) Provision for an administrator or a joint board responsible for
6 administering the joint or cooperative undertaking. In the case of a
7 joint board, public agencies party to the agreement shall be
8 represented;

9 (b) The manner of acquiring, holding and disposing of real and
10 personal property used in the joint or cooperative undertaking. Any
11 joint board is authorized to establish a special fund with a state,
12 county, city, or district treasurer servicing an involved public agency
13 designated "Operating fund of joint board".

14 (5) No agreement made pursuant to this chapter shall relieve any
15 public agency of any obligation or responsibility imposed upon it by
16 law except that to the extent of actual and timely performance thereof
17 by a joint board or other legal or administrative entity created by an
18 agreement made hereunder, (~~said~~) the performance may be offered in
19 satisfaction of the obligation or responsibility.

20 (6) Financing of joint projects by agreement shall be as provided
21 by law."

22 "Sec. 5. RCW 39.34.040 and 1967 c 239 s 5 are each amended to read
23 as follows:

24 Prior to its entry into force, an agreement made pursuant to this
25 chapter shall be filed with the (~~city clerk and~~) county auditor and
26 with the secretary of state. In the event that an agreement entered
27 into pursuant to this chapter is between or among one or more public
28 agencies of this state and one or more public agencies of another state
29 or of the United States (~~said~~) the agreement shall have the status of

1 an interstate compact, but in any case or controversy involving
2 performance or interpretation thereof or liability thereunder, the
3 public agencies party thereto shall be real parties in interest and the
4 state may maintain an action to recoup or otherwise make itself whole
5 for any damages or liability which it may incur by reason of being
6 joined as a party therein. Such action shall be maintainable against
7 any public agency or agencies whose default, failure of performance, or
8 other conduct caused or contributed to the incurring of damage or
9 liability by the state."

10 "Sec. 6. RCW 39.34.060 and 1967 c 239 s 7 are each amended to read
11 as follows:

12 Any public agency entering into an agreement pursuant to this
13 chapter may appropriate funds and may sell, lease, give, or otherwise
14 supply property, personnel, and services to the administrative joint
15 board or other legal or administrative entity created to operate the
16 joint or cooperative undertaking (~~((by providing such personnel or
17 services therefor as may be within its legal power to furnish))~~).

18 **SHB 2495** - S COMM AMD

19 By Committee on Health & Long-Term Care

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21 On page 1, line 1 of the title, after "governments;" strike the
22 remainder of the title and insert "amending RCW 39.34.030, 39.34.040,
23 and 39.34.060; adding new sections to chapter 70.44 RCW; and creating
24 a new section."