

HOUSE BILL REPORT

2SHB 1021

As Passed Legislature

Title: An act relating to prior notice of hospital surveys and audits.

Brief Description: Concerning the department of health's authority in hospitals.

Sponsors: House Committee on Health & Human Services Appropriations (originally sponsored by Representatives Campbell, Morrell and Moeller).

Brief History:

Committee Activity:

Health Care & Wellness: 1/20/09, 1/22/09 [DPS];

Health & Human Services Appropriations: 2/11/09, 2/25/09 [DP2S(w/o sub HCW)].

Floor Activity:

Passed House: 3/9/09, 95-0.

Senate Amended.

Passed Senate: 4/14/09, 48-0.

House Concurred.

Passed House: 4/18/09, 97-0.

Passed Legislature.

Brief Summary of Second Substitute Bill

- Restores the requirement that any state agency that provides advance notice of a hospital survey or audit do so no less than four weeks prior to the survey or audit.
- Provides that hospital inspections conducted by the Department of Health (DOH) must be performed unannounced.
- Prohibits the DOH from issuing its final report regarding a hospital inspection unless certain requirements are met.
- Includes Det Norske Veritas as an entity authorized to conduct hospital surveys.
- Changes provisions relating to the phase-in of the certificate of need exemption for swing beds in critical access hospitals.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Cody, Chair; Driscoll, Vice Chair; Ericksen, Ranking Minority Member; Bailey, Campbell, Clibborn, Green, Hinkle, Kelley, Moeller, Morrell and Pedersen.

Staff: Kyle Gotchy (786-7119) and Jim Morishima (786-7191)

HOUSE COMMITTEE ON HEALTH & HUMAN SERVICES APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Health Care & Wellness. Signed by 15 members: Representatives Pettigrew, Chair; Seaquist, Vice Chair; Schmick, Ranking Minority Member; Alexander, Assistant Ranking Minority Member; Appleton, Cody, Dickerson, Ericksen, Johnson, Miloscia, Morrell, O'Brien, Roberts, Walsh and Wood.

Staff: Chris Blake (786-7392)

Background:

Hospital Inspections.

State agencies, including the Department of Health (DOH), conduct hospital surveys and audits in order to enforce standards and rules required for the safe care and treatment of patients. An audit entails an examination of records or financial accounts to evaluate accuracy and monitor compliance with statutory or regulatory requirements. A survey involves an inspection, examination, or site visit conducted by an agency.

Agencies may be required to give prior notice of an audit or survey unless the agency is responding to a complaint or immediate public health and safety concerns or when such prior notice would conflict with other state or federal law. Any state agency that provides notice of a hospital survey or audit must provide such notice to the hospital no less than four weeks prior to the date of the survey or audit.

Certificates of Need.

A critical access hospital (i.e., a hospital serving a medically under-served area) may increase its total number of beds to the total permitted by federal law or redistribute its beds among acute and nursing care without obtaining a certificate of need. The hospital is, however, subject to the certificate of need process if there is a licensed nursing home within 27 miles except for:

- up to five swing beds (i.e., hospital beds used for long-term care) if the nursing home is in the same city or town limits as the hospital; or
- up to 25 swing beds if the nursing home is not within the same city or town limits as the hospital. No more than 12 of the swing beds authorized by this exemption may be

designated prior to July 1, 2009. The balanced may be designated no sooner than July 1, 2010.

Summary of Second Substitute Bill:

Hospital Inspections.

When the DOH inspects a hospital, the inspection must be conducted on an unannounced basis. The DOH is prohibited from issuing its final report regarding an unannounced inspection until:

1. the hospital is given at least two weeks to provide any information or documentation requested by the DOH during the inspection that was not available at the time of the request; and
2. at least one person from the DOH conducting the inspection meets personally with the chief administrator or executive officer of the hospital following the inspection, or the chief administrator or executive officer declines such a meeting.

Certificates of Need.

The date before which a critical access hospital may designate up to 12 swing beds without being subject to the certificate of need process is changed from July 1, 2009, to July 1, 2010.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony (Health Care & Wellness):

(In support) This bill is part of the continuing effort to address the incidence of Methicillin-resistant Staphylococcus aureus (MRSA) infections in hospitals; it has been well worked and is acceptable to the hospital association. The substitute version narrows the scope so that it only impacts the DOH and hospitals. The bill removes the ridiculous requirement of providing a four-week notice prior to inspecting a hospital. We would like the hospitals to be on ready status at all times; this bill provides the appropriate conditions.

(Opposed) None.

Staff Summary of Public Testimony (Health & Human Services Appropriations):

None.

Persons Testifying (Health Care & Wellness): Representative Campbell, prime sponsor.

Persons Testifying (Health & Human Services Appropriations): None.

Persons Signed In To Testify But Not Testifying (Health Care & Wellness): None.

Persons Signed In To Testify But Not Testifying (Health & Human Services Appropriations): None.