

# HOUSE BILL REPORT

## HB 1400

---

---

*As Amended by the Senate*

**Title:** An act relating to rural health.

**Brief Description:** Modifying grant criteria for rural health care projects.

**Sponsor(s):** Representatives Morton, Grant, Fuhrman, Bray, Sprenkle, Morris, Chandler, Paris, Rasmussen, McLean, Forner and Rayburn; by request of the Department of Health.

**Brief History:**

Reported by House Committee on:  
Health Care, January 30, 1991, DP.  
Passed House February 11, 1991, 95-0;  
Amended by Senate.

---

**HOUSE COMMITTEE ON  
HEALTH CARE**

**Majority Report:** *Do pass.* Signed by 11 members: Representatives Braddock, Chair; Day, Vice Chair; Moyer, Ranking Minority Member; Casada, Assistant Ranking Minority Member; Cantwell; Edmondson; Franklin; Morris; Paris; Prentice; and Sprenkle.

**Staff:** Bill Hagens (786-7131).

**Background:** Current law sets the limit on the number of rural health projects that can be funded at six. In 1990, the Department of Health (DOH) received applications for 18 potentially fundable projects. Even if funds were available, the department would be unable to provide assistance unless the number limit was removed. Also, current law provides for six additional "non-funded" sites to receive technical assistance from the DOH. DOH feels these numbers are arbitrary and may discourage communities from applying for available assistance.

**Summary of Bill:** The number six is deleted from both provisions, allowing any number of projects to be funded consistent with appropriation.

**EFFECT OF SENATE AMENDMENT(S):** The state's rural health systems project statute is amended to authorize the creation of a single project to establish a rural health care

services program. The program is defined as an arrangement sponsored by health care organizations, municipal corporations, or a combination of public and private entities that provides access to primary, acute or secondary health care services to rural residents.

The secretary of the Department of Health is directed to form an advisory committee for the purpose of establishing standards, making awards, designing technical assistance and providing oversight. The committee includes the director of Medical Assistance, Department of Social & Health Services, the administrators of the Basic Health Plan and the State Health Care Authority, and the director of the Department of Labor and Industries. The committee may include other appropriate representatives.

The committee shall authorize a project which must demonstrate the viability of the rural health care program by presenting an actuarial study, demonstrate local public support through an affirmative vote at a general or special election and verify that the participant providers will hold beneficiaries harmless in the event of the failure of the project. Enrollments of beneficiaries in the project may be limited by the secretary of the Department of Health. The program is exempt from the state insurance regulatory laws.

The state shall not be held financially or legally liable in the event of the failure of the project.

The secretary of the Department of Health shall evaluate the project within four years after initial implementation. A report shall be made to the governor and the Legislature including recommendations to continue or expand the program.

***Fiscal Note:*** Requested January 21, 1991.

***Effective Date:*** Ninety days after adjournment of session in which bill is passed.

***Testimony For:*** This bill is needed to expand necessary health care in underserved rural areas.

***Testimony Against:*** None.

***Witnesses:*** Carole Washburn, Department of Health (Pro).

***VOTE ON FINAL PASSAGE:***

Yeas 95; Nays 0; Excused 2; Absent 1

Excused: Representatives Appelwick and Locke.

Absent: Representative Hochstatter.