

# HOUSE BILL REPORT

## HB 2771

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*As Reported By House Committee on:  
Appropriations*

**Title:** An act relating to county hospitals.

**Brief Description:** Modifying regulations pertaining to county hospital boards.

**Sponsor(s):** Representatives Locke, Ferguson, Anderson, Wineberry, O'Brien and Leonard.

**Brief History:**

Reported by House Committee on:  
Appropriations, February 9, 1992, DPS.

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**HOUSE COMMITTEE ON  
APPROPRIATIONS**

**Majority Report:** *The substitute bill be substituted therefor and the substitute bill do pass.* Signed by 24 members: Representatives Locke, Chair; Inslee, Vice Chair; Spanel, Vice Chair; Silver, Ranking Minority Member; Morton, Assistant Ranking Minority Member; Appelwick; Belcher; Bowman; Brekke; Carlson; Dorn; Ebersole; Hine; Lisk; May; Mielke; Nealey; Peery; Pruitt; Rust; D. Sommers; H. Sommers; Valle; and Vance.

**Staff:** Marilyn Showalter (786-7148).

**Background:** Harborview Medical Center (Harborview) is a county hospital managed, under a contract, by the University of Washington.

The 1989 Legislature responded to a fiscal crisis at Harborview by appropriating additional funds and contracting for a study of Harborview's management, finances, and governance. The study report included recommendations for changes to Harborview's governance structure. Among the key recommendations were: 1) to give Harborview more discretion on capital projects financed by non-bond sources; 2) to include board members appointed by the state government; and 3) to strengthen the link between the University of Washington and the board in order to increase the visibility of Harborview's educational needs in the university decision making.

**Summary of Substitute Bill:** The governance structure of certain county hospitals is changed. Harborview is the only county hospital currently subject to the changes.

The size of the governing board is expanded from 13 to 15. Four appointments are made by the governor with the consent of the Senate. One of the governor's appointees may be a regent of the University of Washington. The remaining appointments are made by the county legislative authority. Provisions are made for transitional appointments to ensure continuity of the board. After the transition period, board members' terms will be four years. After the effective date of the act, no individual may serve more than three successive four-year terms on the board.

The trustees of the hospital must submit a six-year capital plan to the county legislative authority each year. The board's authority over renovations and capital improvements is expanded.

The bill declares that hospitals established in the chapter are not state agencies and that the state is not liable for debts or claims associated with the hospital.

**Substitute Bill Compared to Original Bill:** The substitute provides for four-year terms for hospital trustees, instead of the three-year terms in the original bill. Intent language is added expanding the purpose of restructuring the board to include strengthening the economic viability of the board. Language is added to ensure that a governor-appointed trustee who is also a member of a board of regents of a university may fully serve in both roles.

**Fiscal Note:** Not requested.

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

**Testimony For:** The Board of Trustees of Harborview Medical Center and King County support the bill but would like four-year terms for trustees and intent language that addresses the economic viability of Harborview. Also, allowing a member of the University of Washington Board of Regents to be appointed as a trustee may create conflict of interest problems.

**Testimony Against:** None, except for reservations described above.

**Witnesses:** Norris Bacho and Tom Rankin, Harborview Medical Center Board of Trustees; and Patricia McInhurff, King County (all in favor).