
ENGROSSED SUBSTITUTE HOUSE BILL 1960

State of Washington

52nd Legislature

1991 Regular Session

By House Committee on Health Care (originally sponsored by Representatives Prentice, Paris, Day, Braddock, Cantwell, Edmondson, Franklin, Morris, Phillips, Pruitt, Basich, Leonard, Orr, Wood, R. Johnson, Heavey, Wineberry, May, D. Sommers, Beck and Dellwo).

Read first time March 4, 1991. Referred to Committee on Health Care.

1 AN ACT Relating to health professions regulation; amending RCW
2 18.130.010, 18.120.030, 18.150.020, 18.150.030, 18.150.040, 18.150.050,
3 18.150.060, 28B.20.500, 70.180.005, and 18.130.180; adding a new
4 section to chapter 18.130 RCW; adding a new section to chapter 70.180
5 RCW; adding a new section to chapter 18.53 RCW; adding a new section to
6 chapter 18.35 RCW; adding a new section to chapter 18.50 RCW; adding a
7 new section to chapter 18.34 RCW; adding new chapters to Title 28B RCW;
8 creating new sections; recodifying RCW 18.150.010, 18.150.020,
9 18.150.030, 18.150.040, 18.150.050, 18.150.060, 18.150.070, 18.150.900,
10 and 18.150.910; repealing RCW 18.150.080, 28B.102.010, 28B.102.020,
11 28B.102.030, 28B.102.040, 28B.102.045, 28B.102.050, 28B.102.060,
12 28B.102.070, 28B.102.900, 28B.102.905, 70.180.007, 70.180.010,
13 70.180.050, 70.180.060, 70.180.070, 70.180.080, 70.180.090, 70.180.100,
14 and 70.180.910; prescribing penalties; and declaring an emergency.

15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

1 PART 1

2 TEMPORARY PRACTICE PERMITS

3 CONTINUED HEALTH PROFESSIONAL COMPETENCY DEMONSTRATION PROJECTS

4 **Sec. 1.** RCW 18.130.010 and 1986 c 259 s 1 are each amended to read
5 as follows:

6 It is the intent of the legislature to strengthen and consolidate
7 disciplinary and licensure procedures for the licensed health and
8 health-related professions and businesses by providing a uniform
9 disciplinary act with standardized procedures for the licensure of
10 health care professionals and the enforcement of laws the purpose of
11 which is to assure the public of the adequacy of professional
12 competence and conduct in the healing arts.

13 It is also the intent of the legislature that all health and
14 health-related professions newly credentialed by the state come under
15 the uniform disciplinary act.

16 Further, the legislature declares that the addition of public
17 members on all health care boards can give both the state and the
18 public, which it has a statutory responsibility to protect, assurances
19 of accountability and confidence in the various practices of health
20 care.

21 NEW SECTION. **Sec. 2.** A new section is added to chapter 18.130 RCW
22 to read as follows:

23 If an individual licensed in another state, that has licensing
24 standards substantially equivalent to Washington, applies for a
25 license, the disciplining authority shall issue a temporary practice
26 permit authorizing the applicant to practice the profession pending
27 completion of documentation that the applicant meets the requirements
28 for a license and is also not subject to denial of a license or

1 issuance of a conditional license under this chapter. The temporary
2 permit may reflect statutory limitations on the scope of practice. The
3 permit shall be issued only upon the disciplining authority receiving
4 verification from the states in which the applicant is licensed that
5 the applicant is currently licensed and is not subject to charges or
6 disciplinary action for unprofessional conduct or impairment.
7 Notwithstanding RCW 34.05.422(3), the disciplining authority shall
8 establish, by rule, the duration of the temporary practice permits.
9 Failure to surrender the permit is a misdemeanor under RCW 9A.20.010
10 and shall be unprofessional conduct under this chapter. The issuance
11 of temporary permits is subject to the provisions of this chapter,
12 including summary suspensions.

13 PART 2

14 STATE-WIDE HEALTH PERSONNEL RESOURCE PLAN

15 NEW SECTION. **Sec. 3.** INTENT. The legislature finds that certain
16 health care professional shortages exist and result in entire
17 communities or specific populations within communities not having
18 access to basic health care services. The legislature further finds
19 that the state currently does not have a state-wide comprehensive and
20 systematic policy for the purpose of identifying shortages and
21 designing and implementing activities to address shortages. The
22 legislature declares that the establishment of higher educational
23 programming and other activities necessary to address health
24 professional shortages should be a state policy concern and that a
25 means to accomplish this in a manner so as not to impair the high
26 quality of current higher education programming and activities should
27 be established. The legislature further declares that the development
28 of state policy on professional shortages should involve close

1 coordination and consultation between state government, institutions of
2 higher education that conduct health care research and train health
3 care professionals, health care service providers, consumers, and
4 others. The legislature further declares that the health care needs of
5 the people of this state should be a primary factor determining state
6 policymaking designed to address health professional shortages.

7 NEW SECTION. **Sec. 4.** STATE-WIDE HEALTH PERSONNEL RESOURCE PLAN.

8 (1) The higher education coordinating board, the state board for
9 community college education, the superintendent of public instruction,
10 the state department of health, and the state department of social and
11 health services, to be known for the purposes of this section as the
12 committee, shall, in consultation with the higher education
13 institutions and appropriate entities, establish a state-wide health
14 personnel resource plan. The governor shall appoint a lead agency from
15 one of the agencies on the committee. When establishing and
16 implementing the state-wide health personnel resource plan the
17 committee shall, to the extent possible, utilize existing data and
18 information, personnel, equipment, and office space and shall minimize
19 travel and take such other steps necessary to reduce the administrative
20 costs associated with the preparation and implementation of the plan.

21 (2) The committee shall include in the state-wide health resource
22 plan the following:

23 (a) Identification of the type, number, and location of the health
24 care professional work force necessary to meet health care needs of the
25 state. A description and analysis of the composition and numbers of
26 the potential work force available for meeting health care service
27 needs of the population to be used for recruitment purposes. This
28 should include a description of the data, methodology, and process used
29 to make such determinations.

1 (b) A centralized inventory of the numbers of student applications
2 to higher education and vocational technical training and education
3 programs, yearly enrollments, yearly degrees awarded, and numbers on
4 waiting lists for all the state's publicly funded health care training
5 and education programs. The committee shall request similar
6 information for incorporation into the inventory from private higher
7 education and vocational technical training and education programs.

8 (c) A description of state-wide and local specialized provider
9 training needs to meet the health care needs of target populations and
10 a plan to meet such needs in a cost-effective and accessible manner.

11 (d) A description of the need for multiskilled health care
12 professionals and an implementation plan to restructure educational and
13 training programming to meet these needs.

14 (e) An analysis of the types and estimated numbers of health care
15 personnel that will need to be recruited from out-of-state to meet the
16 health professional needs not met by in-state trained personnel.

17 (f) An analysis of the need for educational articulation within the
18 various health care disciplines and a plan for addressing the need.

19 (g) An analysis of the training needs of those members of the long-
20 term care profession that are not regulated and that have no formal
21 training requirements.

22 (h) A designation of the professions and geographic locations in
23 which loan repayment and scholarships should be available based upon
24 objective data-based forecasts of health professional shortages. A
25 description of the criteria used to select professions and geographic
26 locations shall be included. Designations of professions and
27 geographic locations may be amended by the department of health when
28 circumstances warrant as provided for in section 11 of this act.

29 (i) A description of needed changes in regulatory laws governing
30 the credentialing of health professionals.

1 (j) A description of linguistic and cultural training needs of
2 foreign-trained health care professions to assure safe and effective
3 practice of their health care profession.

4 (k) A plan to implement the recommendations of the state-wide
5 nursing plan authorized by RCW 74.39.040.

6 (l) A description of how the higher education coordinating board,
7 state board of community college education, superintendent of public
8 instruction, department of health and department of social and health
9 services coordinated in the creation and implementation of the state
10 plan including the areas of responsibility each agency shall assume.

11 (m) A description of the estimated fiscal requirements for
12 implementation of the state-wide health resource plan.

13 (3) The committee may call upon other agencies of the state to
14 provide available information to assist the committee in meeting the
15 responsibilities under this chapter. This information shall be
16 supplied as promptly as circumstances permit and to the extent that
17 funds are available.

18 (4) State agencies involved in the development of the plan shall to
19 the extent possible utilize existing personnel and financial resources
20 in the development and implementation of the state-wide health
21 personnel resource plan.

22 (5) The state-wide health resource plan shall be submitted to the
23 governor by July 1, 1992, and updated by July 1 of each even-numbered
24 year. The governor, no later than December 1 of that year, shall
25 approve, approve with modifications, or disapprove the state-wide
26 health resource plan.

27 (6) The approved state-wide health resource plan shall be submitted
28 to the legislature by December 1 each even-numbered year.

29 (7) Implementation of the state-wide plan as it pertains to the
30 office of the superintendent of public instruction, the state board for

1 community college education, the department of social and health
2 services, and the department of health shall begin by July 1, 1993.

3 (8) Notwithstanding subsections (5) and (7) of this section, the
4 committee shall prepare and submit to the higher education coordinating
5 board by June 1, 1992, the analysis necessary for the initial
6 implementation of the health professional loan repayment and
7 scholarship program created in chapter 28B... RCW (as codified pursuant
8 to section 26 of this act).

9 (9) The higher education coordinating board shall, in consultation
10 with the higher education institutions and other appropriate entities,
11 develop the higher education portion of the health personnel resource
12 shortage plan. The plan shall address the following:

13 (a) A description of how education technology, including
14 telecommunications, can be used to provide higher education health
15 professions training programs.

16 (b) A description of how higher education programs are sensitive to
17 the changing work force.

18 (c) A strategy for increasing graduates in the health professions,
19 including such strategies for those declaring an intent to serve in
20 health professional shortage areas after graduation.

21 (d) A description of policies for permitting academic credit for
22 academically supervised internships.

23 (e) A description of a plan for making internships and residency
24 programs geographically accessible to the extent practicable.

25 (f) An analysis of articulation within health care disciplines.

26 (g) Funding requirements to implement the plans. Plans shall be
27 incorporated into the biennial budget submissions of each four-year
28 higher education institution.

29 (10) Each publicly funded four-year institution of higher education
30 authorized under Title 28B RCW that offers health training and

1 education programs shall biennially prepare and submit an institutional
2 plan to the higher education coordinating board as part of the
3 institution's biennial budget submission. The institutional plan shall
4 identify programming and activities of the institution that address the
5 higher education portion of the state-wide health professional resource
6 plan listed in subsection (9) of this section. The higher education
7 coordinating board shall assess whether it meets the criteria and
8 standards developed in the state-wide plan. The institutional plans
9 shall become part of the state-wide resource plan and shall be
10 implemented as additional resources are appropriated.

11 PART 3

12 HEALTH PROFESSIONAL CREDENTIALING SUNRISE MODIFICATIONS

13 **Sec. 5.** RCW 18.120.030 and 1983 c 168 s 3 are each amended to read
14 as follows:

15 After July 24, 1983, if appropriate, applicant groups shall explain
16 each of the following factors to the extent requested by the
17 legislative committees of reference:

18 (1) A definition of the problem and why regulation is necessary:

19 (a) The nature of the potential harm to the public if the health
20 profession is not regulated, and the extent to which there is a threat
21 to public health and safety;

22 (b) The extent to which consumers need and will benefit from a
23 method of regulation identifying competent practitioners, indicating
24 typical employers, if any, of practitioners in the health profession;
25 and

26 (c) The extent of autonomy a practitioner has, as indicated by:

1 (i) The extent to which the health profession calls for independent
2 judgment and the extent of skill or experience required in making the
3 independent judgment; and
4 (ii) The extent to which practitioners are supervised;
5 (2) The efforts made to address the problem:
6 (a) Voluntary efforts, if any, by members of the health profession
7 to:
8 (i) Establish a code of ethics; or
9 (ii) Help resolve disputes between health practitioners and
10 consumers; and
11 (b) Recourse to and the extent of use of applicable law and whether
12 it could be strengthened to control the problem;
13 (3) The alternatives considered:
14 (a) Regulation of business employers or practitioners rather than
15 employee practitioners;
16 (b) Regulation of the program or service rather than the individual
17 practitioners;
18 (c) Registration of all practitioners;
19 (d) Certification of all practitioners;
20 (e) Other alternatives;
21 (f) Why the use of the alternatives specified in this subsection
22 would not be adequate to protect the public interest; and
23 (g) Why licensing would serve to protect the public interest;
24 (4) The benefit to the public if regulation is granted:
25 (a) The extent to which the incidence of specific problems present
26 in the unregulated health profession can reasonably be expected to be
27 reduced by regulation;
28 (b) Whether the public can identify qualified practitioners;
29 (c) The extent to which the public can be confident that qualified
30 practitioners are competent:

1 (i) Whether the proposed regulatory entity would be a board
2 composed of members of the profession and public members, or a state
3 agency, or both, and, if appropriate, their respective responsibilities
4 in administering the system of registration, certification, or
5 licensure, including the composition of the board and the number of
6 public members, if any; the powers and duties of the board or state
7 agency regarding examinations and for cause revocation, suspension, and
8 nonrenewal of registrations, certificates, or licenses; the
9 promulgation of rules and canons of ethics; the conduct of inspections;
10 the receipt of complaints and disciplinary action taken against
11 practitioners; and how fees would be levied and collected to cover the
12 expenses of administering and operating the regulatory system;

13 (ii) If there is a grandfather clause, whether such practitioners
14 will be required to meet the prerequisite qualifications established by
15 the regulatory entity at a later date;

16 (iii) The nature of the standards proposed for registration,
17 certification, or licensure as compared with the standards of other
18 jurisdictions;

19 (iv) Whether the regulatory entity would be authorized to enter
20 into reciprocity agreements with other jurisdictions; (~~and~~)

21 (v) The nature and duration of any training including, but not
22 limited to, whether the training includes a substantial amount of
23 supervised field experience; whether training programs exist in this
24 state; if there will be an experience requirement; whether the
25 experience must be acquired under a registered, certificated, or
26 licensed practitioner; whether there are alternative routes of entry or
27 methods of meeting the prerequisite qualifications; whether all
28 applicants will be required to pass an examination; and, if an
29 examination is required, by whom it will be developed and how the costs
30 of development will be met; and

1 (vi) What additional training programs are anticipated to be
2 necessary to assure training accessible state-wide; the anticipated
3 time required to establish the additional training programs; the types
4 of institutions capable of providing the training; a description of how
5 training programs will meet the needs of the expected work force,
6 including reentry workers, minorities, placebound students, and others;

7 (d) Assurance of the public that practitioners have maintained
8 their competence:

9 (i) Whether the registration, certification, or licensure will
10 carry an expiration date; and

11 (ii) Whether renewal will be based only upon payment of a fee, or
12 whether renewal will involve reexamination, peer review, or other
13 enforcement;

14 (5) The extent to which regulation might harm the public:

15 (a) The extent to which regulation will restrict entry into the
16 health profession:

17 (i) Whether the proposed standards are more restrictive than
18 necessary to insure safe and effective performance; and

19 (ii) Whether the proposed legislation requires registered,
20 certificated, or licensed practitioners in other jurisdictions who
21 migrate to this state to qualify in the same manner as state applicants
22 for registration, certification, and licensure when the other
23 jurisdiction has substantially equivalent requirements for
24 registration, certification, or licensure as those in this state; and

25 (b) Whether there are similar professions to that of the applicant
26 group which should be included in, or portions of the applicant group
27 which should be excluded from, the proposed legislation;

28 (6) The maintenance of standards:

1 (a) Whether effective quality assurance standards exist in the
2 health profession, such as legal requirements associated with specific
3 programs that define or enforce standards, or a code of ethics; and

4 (b) How the proposed legislation will assure quality:

5 (i) The extent to which a code of ethics, if any, will be adopted;
6 and

7 (ii) The grounds for suspension or revocation of registration,
8 certification, or licensure;

9 (7) A description of the group proposed for regulation, including
10 a list of associations, organizations, and other groups representing
11 the practitioners in this state, an estimate of the number of
12 practitioners in each group, and whether the groups represent different
13 levels of practice; and

14 (8) The expected costs of regulation:

15 (a) The impact registration, certification, or licensure will have
16 on the costs of the services to the public; (~~and~~)

17 (b) The cost to the state and to the general public of implementing
18 the proposed legislation; and

19 (c) The cost to the state and the members of the group proposed for
20 regulation for the required education, including projected tuition and
21 expenses and expected increases in training programs, staffing, and
22 enrollments at state training institutions.

23 PART 4

24 HEALTH PROFESSIONAL LOAN REPAYMENT AND SCHOLARSHIP PROGRAM

25 **Sec. 6.** RCW 18.150.020 and 1989 1st ex.s. c 9 s 717 are each
26 amended to read as follows:

27 Unless the context clearly requires otherwise, the definitions in
28 this section apply throughout this chapter.

1 (1) "Board" means the higher education coordinating board.

2 (2) "Department" means the state department of health.

3 (3) "Eligible education and training programs" means education and
4 training programs approved by the department that lead to eligibility
5 for a credential as a credentialed health care professional.

6 (4) "Eligible expenses" means reasonable expenses associated with
7 the costs of acquiring an education such as tuition, books, equipment,
8 fees, room and board, and other expenses determined by the board.

9 (5) "Eligible student" means a student who has been accepted into
10 an eligible education or training program and has a declared intention
11 to serve in a health professional shortage area upon completion of the
12 education or training program.

13 (6) "Forgiven" or "to forgive" or "forgiveness" means to render
14 health care services in a health professional shortage area in the
15 state of Washington in lieu of monetary repayment.

16 (7) "Health professional shortage areas" means those geographic
17 areas where credentialed health care professionals are in short supply
18 as a result of geographic maldistribution or as the result of a short
19 supply of credentialed health care professionals in specialty health
20 care areas and where vacancies exist in serious numbers that jeopardize
21 patient care and pose a threat to the public health and safety. The
22 department shall determine health professional shortage areas as
23 provided for in section 11 of this act, or until June 1, 1992, as
24 provided for in section 10 of this act. In making health professional
25 shortage area designations in the state the department may be guided by
26 applicable federal standards for "health manpower shortage areas," and
27 "medically underserved areas," and "medically underserved populations."

28 (8) "Credentialed health care profession" means a health care
29 profession regulated by a disciplining authority in the state of
30 Washington under RCW 18.130.040 or by the state board of pharmacy under

1 chapter 18.64 RCW and designated by the department in section 11 of
2 this act, or until June 1, 1992, as established in section 10 of this
3 act as a profession having shortages of credentialed health care
4 professionals in the state.

5 (9) "Credentialed health care professional" means a person
6 regulated by a disciplining authority in the state of Washington to
7 practice a health care profession under RCW 18.130.040 or by the state
8 board of pharmacy under chapter 18.64 RCW.

9 (10) "Loan repayment" means a loan that is paid in full or in part
10 if the participant renders health care services in a health
11 professional shortage area ((or medically under served areas)) as
12 defined by the department ((of health)).

13 ((+2)) (11) "Nonshortage rural area" means a nonurban area of the
14 state of Washington that has not been designated as a rural physician
15 shortage area. The department shall identify the nonshortage rural
16 areas of the state.

17 (12) "Participant" means a ((licensed)) credentialed health care
18 professional who has received a loan repayment award and has commenced
19 practice as a ((primary)) credentialed health care provider in a
20 designated health professional shortage area or an eligible student who
21 has received a scholarship under this program.

22 ((3) "Board" means the higher education coordinating board.

23 (4) "Health professional shortage areas" means those geographic
24 areas where health professionals are in short supply as a result of
25 geographic maldistribution and where vacancies exist in serious numbers
26 that jeopardize patient care and pose a threat to the public health and
27 safety. The department of health shall determine health professional
28 shortage areas in the state guided by federal standards of "health
29 manpower shortage areas," and "medically underserved areas," and
30 "medically underserved populations."

1 ~~(5))~~ (13) "Program" means the health professional loan repayment
2 and scholarship program.

3 (14) "Required service obligation" means an obligation by the
4 participant to provide health care services in a health professional
5 shortage area for a period to be established as provided for in this
6 chapter.

7 (15) "Rural physician shortage area" means rural geographic areas
8 where primary care physicians are in short supply as a result of
9 geographic maldistributions and where their limited numbers jeopardize
10 patient care and pose a threat to public health and safety. The
11 department shall designate rural physician shortage areas.

12 (16) "Satisfied" means paid-in-full.

13 ~~((6) "Licensed health professional" means a person authorized in~~
14 ~~the state of Washington to practice medicine pursuant to chapter 18.57~~
15 ~~or 18.57A RCW or 18.71 or 18.71A RCW, to practice nursing pursuant to~~
16 ~~chapter 18.88 or 18.78 RCW, or to practice dentistry pursuant to~~
17 ~~chapter 18.32 RCW.))~~ (17) "Scholarship" means a loan that is forgiven
18 in whole or in part if the recipient renders health care services in a
19 health professional shortage area.

20 (18) "Sponsoring community" means a rural hospital or hospitals as
21 authorized in chapter 70.41 RCW, a rural health care facility or
22 facilities as authorized in chapter 70.175 RCW, or a city or county
23 government or governments.

24 **Sec. 7.** RCW 18.150.030 and 1989 1st ex.s. c 9 s 718 are each
25 amended to read as follows:

26 The health professional loan repayment and scholarship program is
27 established for ~~((licensed))~~ credentialed health professionals serving
28 in health professional shortage areas. The program shall be
29 administered by the higher education coordinating board. In

1 administrating this program, the board shall (~~have the following~~
2 ~~duties~~):

3 (1) (~~It shall~~) Select (~~licensed~~) ~~credentialed~~ health care
4 professionals to participate in the loan repayment portion of the loan
5 repayment and scholarship program and select eligible students to
6 participate in the scholarship portion of the loan repayment and
7 scholarship program;

8 (2) (~~It shall~~) Adopt rules and develop guidelines to administer
9 the program;

10 (3) (~~It shall~~) Collect and manage repayments from participants
11 who do not meet their service obligations under this chapter;

12 (4) Publicize the program, particularly to maximize participation
13 among individuals in shortage areas and among populations expected to
14 experience the greatest growth in the work force; (~~and~~

15 ~~(4) It shall~~) (5) Solicit and accept grants and donations from
16 public and private sources for the program; and

17 (6) Develop criteria for a contract for service in lieu of the
18 service obligation where appropriate, that may be a combination of
19 service and payment.

20 NEW SECTION. Sec. 8. The department may provide technical
21 assistance to rural communities desiring to become sponsoring
22 communities for the purposes of identification of prospective students
23 for the program, assisting prospective students to apply to an eligible
24 education and training program, making formal agreements with
25 prospective students to provide credentialed health care services in
26 the community, forming agreements between rural communities in a
27 service area to share credentialed health care professionals, and
28 fulfilling any matching requirements.

1 **Sec. 9.** RCW 18.150.040 and 1989 1st ex.s. c 9 s 719 are each
2 amended to read as follows:

3 The board shall establish a planning committee to assist it in
4 developing criteria for the selection of participants. The board
5 shall(~~(, at a minimum,)~~) include on the planning committee(~~(:~~
6 ~~Representatives from rural hospitals; public health districts or~~
7 ~~departments; community and migrant clinics; and private providers)~~)
8 representatives of the department, the department of social and health
9 services, appropriate representatives from health care facilities,
10 provider groups, consumers, the state board of community college
11 education, the superintendent of public instruction, and other
12 appropriate public and private agencies and organizations. The
13 criteria may require that some of the participants meet the definition
14 of "needy student" under RCW 28B.10.802.

15 NEW SECTION. **Sec. 10.** ELIGIBLE CREDENTIALLED HEALTH PROFESSIONS
16 AND REQUIRED SERVICE OBLIGATIONS. Until June 1, 1992, the board, in
17 consultation with the department, shall:

18 (1) Establish loan repayments for persons authorized to practice
19 one of the following credentialed health care professions: Medicine
20 pursuant to chapter 18.57, 18.57A, 18.71 or 18.71A RCW, nursing
21 pursuant to chapter 18.78 or 18.88 RCW, or dentistry pursuant to
22 chapter 18.32 RCW. The amount of the loan repayment shall not exceed
23 fifteen thousand dollars per year for a maximum of five years per
24 individual. The required service obligation in a health professional
25 shortage area for loan repayment shall be three years;

26 (2) Establish a scholarship program for eligible students who have
27 been accepted into an eligible education or training program leading to
28 a credential in one of the following credentialed health care
29 professions: Nursing pursuant to chapter 18.78 or 18.88 RCW who

1 declare the intent to serve in a nurse shortage area as defined by the
2 department upon completion of an education or training program and
3 agree to a five-year service obligation. The amount of the scholarship
4 shall not exceed three thousand dollars per year for a maximum of five
5 years;

6 (3) Establish a scholarship program for eligible students who have
7 been accepted into an eligible education or training program leading to
8 a credential in one of the following credentialed health care
9 professions: Medicine pursuant to chapter 18.57 or 18.71 RCW who
10 declare an intent to serve as a primary care physician in a rural area
11 in the state of Washington upon completion of the education program and
12 agree to a five-year service obligation and who may receive a
13 scholarship of no more than fifteen thousand dollars per year for five
14 years.

15 In determining scholarship awards for prospective physicians, the
16 selection criteria shall include requirements that recipients declare
17 an interest in serving in rural areas of the state of Washington.
18 Preference for scholarships shall be given to students who reside in a
19 rural physician shortage area or a nonshortage rural area of the state
20 prior to admission to the eligible education and training program in
21 medicine. Highest preference shall be given to students seeking
22 admission who are recommended by sponsoring communities and who declare
23 the intent of serving as a physician in a rural area. The board may
24 require the sponsoring community located in a nonshortage rural area to
25 financially contribute to the eligible expenses of a medical student if
26 the student will serve in the nonshortage rural area;

27 (4) Establish a scholarship program for eligible students who have
28 been accepted into an eligible education or training program leading to
29 a credential in one of the following credentialed health care
30 professions: Midwifery pursuant to chapter 18.50 RCW or advanced

1 registered nurse practitioner certified nurse midwifery under chapter
2 18.88 RCW who declare an intent to serve as a midwife in a midwifery
3 shortage area in the state of Washington, as defined by the department,
4 upon completion of the education program and agree to a five-year
5 service obligation and who may receive a scholarship of no more than
6 four thousand dollars per year for three years;

7 (5) Establish a scholarship program for eligible students who have
8 been accepted into an eligible education or training program leading to
9 a credential in the following credentialed health care profession:
10 Pharmacy pursuant to chapter 18.64 RCW who declare an intent to serve
11 as a pharmacist in a pharmacy shortage area in the state of Washington,
12 as defined by the department, upon completion of the education program
13 and agree to a five-year service obligation and who may receive a
14 scholarship of no more than four thousand dollars per year for three
15 years;

16 (6) Honor loan repayment and scholarship contract terms negotiated
17 between the board and participants prior to the effective date of this
18 act concerning loan repayment and scholarship award amounts and service
19 obligations authorized under chapter 18.150, 28B.104, or 70.180 RCW.

20 NEW SECTION. **Sec. 11.** ELIGIBLE CREDENTIALLED HEALTH PROFESSIONS.

21 After June 1, 1992, the department, in consultation with the board and
22 the department of social and health services, shall:

23 (1) Determine eligible credentialed health care professions for the
24 purposes of the loan repayment and scholarship program authorized by
25 this chapter. Eligibility shall be based upon an assessment that
26 determines that there is a shortage or insufficient availability of a
27 credentialed profession so as to jeopardize patient care and pose a
28 threat to the public health and safety. The department shall consider
29 the relative degree of shortages among professions when determining

1 eligibility. This determination shall be based upon health
2 professional shortage needs identified in the health personnel resource
3 plan authorized by section 4 of this act. The department may add or
4 remove professions from eligibility based upon the determination that
5 a profession is no longer in shortage as determined by the health
6 personnel resource plan. Should a profession no longer be eligible,
7 participants or eligible students who have received scholarships shall
8 be eligible to continue to receive scholarships or loan repayments
9 until they are no longer eligible or until their service obligation has
10 been completed;

11 (2) Determine health professional shortage areas for each of the
12 eligible credentialed health care professions.

13 NEW SECTION. **Sec. 12.** REQUIRED SERVICE OBLIGATIONS. After June
14 1, 1992, the board, in consultation with the department and the
15 department of social and health services, shall:

16 (1) Establish the annual award amount for each credentialed health
17 care profession which shall be based upon an assessment of reasonable
18 annual eligible expenses involved in training and education for each
19 credentialed health care profession. The annual award amount may be
20 established at a level less than annual eligible expenses. The annual
21 award amount shall not be less than three thousand dollars per year nor
22 more than fifteen thousand dollars per year. The awards shall not be
23 paid for more than a maximum of five years per individual;

24 (2) Determine any scholarship awards for prospective physicians in
25 such a manner to require the recipients declare an interest in serving
26 in rural areas of the state of Washington. Preference for scholarships
27 shall be given to students who reside in a rural physician shortage
28 area or a nonshortage rural area of the state prior to admission to the
29 eligible education and training program in medicine. Highest

1 preference shall be given to students seeking admission who are
2 recommended by sponsoring communities and who declare the intent of
3 serving as a physician in a rural area. The board may require the
4 sponsoring community located in a nonshortage rural area to financially
5 contribute to the eligible expenses of a medical student if the student
6 will serve in the nonshortage rural area;

7 (3) Establish the required service obligation for each credentialed
8 health care profession, which shall be no less than three years or no
9 more than five years. The required service obligation may be based
10 upon the amount of the scholarship or loan repayment award such that
11 higher awards involve longer service obligations on behalf of the
12 participant;

13 (4) Determine eligible education and training programs for purposes
14 of the scholarship portion of the program;

15 (5) Honor loan repayment and scholarship contract terms negotiated
16 between the board and participants prior to the effective date of this
17 section concerning loan repayment and scholarship award amounts and
18 service obligations authorized under chapter 18.150, 28B.104, or 70.180
19 RCW.

20 **Sec. 13.** RCW 18.150.050 and 1989 1st ex.s. c 9 s 720 are each
21 amended to read as follows:

22 (1) The board may grant loan repayment and scholarship awards to
23 eligible participants from the funds appropriated for this purpose, or
24 from any private or public funds given to the board for this purpose.
25 (~~The amount of the loan repayment shall not exceed fifteen thousand~~
26 ~~dollars per year for a maximum of five years. The board may establish~~
27 ~~awards of less than fifteen thousand dollars per year based upon~~
28 ~~reasonable levels of expenditures for each of the health professions~~
29 ~~covered by this chapter.)) Participants ((in the conditional~~

1 ~~scholarship program authorized by chapter 28B.104 RCW are ineligible to~~
2 ~~receive assistance from the program authorized by this chapter))~~ are
3 ineligible to receive loan repayment if they have received a
4 scholarship from programs authorized under this chapter or chapter
5 28B.104 or 70.180 RCW or are ineligible to receive a scholarship if
6 they have received loan repayment authorized under this chapter or
7 chapter 18.150 RCW.

8 (2) Funds appropriated for the program, including reasonable
9 administrative costs, may be used by the board for the purposes of loan
10 repayments or scholarships. The board shall annually establish the
11 total amount of funding to be awarded for loan repayments and
12 scholarships and such allocations shall be established based upon the
13 best utilization of funding for that year and based upon the health
14 personnel resource plan authorized in section 4 of this act.

15 (3) One portion of the funding shall be used by the board as a
16 recruitment incentive for recruitment activities in state-operated
17 institutions, county public health departments and districts, county
18 human service agencies, federal and state contracted community health
19 clinics, and other health care facilities, such as rural hospitals that
20 have been identified by the department, as providing substantial
21 amounts of charity care or publicly subsidized health care; one portion
22 of the funding shall be used by the board for all other awards. The
23 board shall determine the amount of total funding to be distributed
24 between the two portions.

25 NEW SECTION. Sec. 14. PARTICIPANT REQUIREMENT TO ACCEPT PAYMENT.
26 In providing health care services the participant shall not
27 discriminate against a person on the basis of the person's ability to
28 pay for such services or because payment for the health care services
29 provided to such persons will be made under the insurance program

1 established under part A or B of Title XVIII of the federal social
2 security act or under a state plan for medical assistance including
3 Title XIX of the federal social security act or under the state medical
4 assistance program authorized by chapter 74.09 RCW and agrees to accept
5 assignment under section 18.42(b)(3)(B)(ii) of the federal social
6 security act for all services for which payment may be made under part
7 B of Title XVIII of the federal social security act and enters into an
8 appropriate agreement with the department of social and health services
9 for medical assistance under Title XIX of the federal social security
10 act to provide services to individuals entitled to medical assistance
11 under the plan and enters into appropriate agreements with the
12 department of social and health services for medical care services
13 under chapter 74.09 RCW. Participants found by the board or the
14 department in violation of this section shall be declared ineligible
15 for receiving assistance under the program authorized by this chapter.

16 **Sec. 15.** RCW 18.150.060 and 1989 1st ex.s. c 9 s 721 are each
17 amended to read as follows:

18 Participants in the health professional loan repayment and
19 scholarship program who are awarded loan repayments shall receive
20 payment from the program for the purpose of repaying educational loans
21 secured while attending a program of health professional training which
22 led to (~~licensure as a licensed~~) a credential as a credentialed
23 health professional in the state of Washington.

24 (1) Participants shall agree to (~~serve at least three years~~) meet
25 the required service obligation in a designated health professional
26 shortage area.

27 (2) (~~In providing health care services the participant shall not~~
28 ~~discriminate against any person on the basis of the person's ability to~~
29 ~~pay for such services or because payment for the health care services~~

1 provided to such persons will be made under the insurance program
2 established under part A or B of Title XVIII of the federal social
3 security act or under a state plan for medical assistance approved
4 under Title XIX of the federal social security act and agrees to accept
5 assignment under section 18.42(b)(3)(B)(ii) of such act for all
6 services for which payment may be made under part B of Title XVIII and
7 enters into an appropriate agreement with the department of social and
8 health services for medical assistance under Title XIX to provide
9 services to individuals entitled to medical assistance under the plan.
10 Participants found by the board in violation of this section shall be
11 declared ineligible for receiving assistance under the program
12 authorized by this chapter.

13 ~~(3))~~ Repayment shall be limited to ~~((reasonable))~~ eligible
14 educational and living expenses as determined by the board and shall
15 include principal and interest.

16 ~~((4))~~ (3) Loans from both government and private sources may be
17 repaid by the program. Participants shall agree to allow the board
18 access to loan records and to acquire information from lenders
19 necessary to verify eligibility and to determine payments. Loans may
20 not be renegotiated with lenders to accelerate repayment.

21 ~~((5))~~ (4) Repayment of loans established pursuant to this program
22 shall begin no later than ninety days after the individual has become
23 a participant. Payments shall be made quarterly, or more frequently if
24 deemed appropriate by the board, to the participant until the loan is
25 repaid or the participant becomes ineligible due to discontinued
26 service in a health professional shortage area or after the ~~((fifth~~
27 ~~year of services))~~ required service obligation when eligibility
28 discontinues, whichever comes first.

29 ~~((6))~~ (5) Should the participant discontinue service in a health
30 professional shortage area payments against the loans of the

1 participants shall cease to be effective on the date that the
2 participant discontinues service.

3 ~~((+7))~~ (6) Except for circumstances beyond their control,
4 participants who serve less than ~~((three years))~~ the required service
5 obligation shall be obligated to repay to the program an amount equal
6 to twice the total amount paid by the program on their behalf in
7 addition to any payments on the unsatisfied portion of the principal
8 and interest. The board shall determine the applicability of this
9 subsection.

10 ~~((+8))~~ (7) The board is responsible for the collection of payments
11 made on behalf of participants from the participants who discontinue
12 service before ~~((their three-year))~~ completion of the required service
13 obligation. The board shall exercise due diligence in such collection,
14 maintaining all necessary records to ensure that the maximum amount of
15 payment made on behalf of the participant is recovered. Collection
16 under this section shall be pursued using the full extent of the law,
17 including wage garnishment if necessary.

18 ~~((+9))~~ (8) The board shall not be held responsible for any
19 outstanding payments on principal and interest to any lenders once a
20 participant's eligibility expires.

21 NEW SECTION. Sec. 16. PARTICIPANT OBLIGATION--SCHOLARSHIPS.(1)
22 Participants in the health professional loan repayment and scholarship
23 program who are awarded scholarships incur an obligation to repay the
24 scholarship, with interest, unless they serve the required service
25 obligation in a health professional shortage area in the state of
26 Washington.

27 (2) The terms of the repayment, including deferral and rate of
28 interest, shall be consistent with the terms of the federal guaranteed
29 student loan program.

1 (3) The period for repayment shall coincide with the required
2 service obligation, with payments accruing quarterly commencing no
3 later than nine months from the date the participant completes or
4 discontinues the course of study or completes or discontinues the
5 required residency.

6 (4) The entire principal and interest of each payment shall be
7 forgiven for each payment period in which the participant serves in a
8 health professional shortage area until the entire repayment obligation
9 is satisfied or the borrower ceases to so serve. Should the
10 participant cease to serve in a health professional shortage area of
11 this state before the participant's repayment obligation is completed,
12 payments on the unsatisfied portion of the principal and interest shall
13 begin the next payment period and continue until the remainder of the
14 participant's repayment obligation is satisfied. Except for
15 circumstances beyond their control, participants who serve less than
16 the required service obligation shall be obliged to repay to the
17 program an amount equal to twice the total amount paid by the program
18 on their behalf.

19 (5) The board is responsible for collection of repayments made
20 under this section and shall exercise due diligence in such collection,
21 maintaining all necessary records to ensure that maximum repayments are
22 made. Collection and servicing of repayments under this section shall
23 be pursued using the full extent of the law, including wage garnishment
24 if necessary, and shall be performed by entities approved for such
25 servicing by the Washington student loan guaranty association or its
26 successor agency. The board is responsible to forgive all or parts of
27 such repayments under the criteria established in this section and
28 shall maintain all necessary records of forgiven payments.

29 (6) Receipts from the payment of principal or interest or any other
30 subsidies to which the board as administrator is entitled, which are

1 paid by or on behalf of participants under this section, shall be
2 deposited with the board and shall be used to cover the costs of
3 granting the scholarships, maintaining necessary records, and making
4 collections under subsection (5) of this section. The board shall
5 maintain accurate records of these costs, and all receipts beyond those
6 necessary to pay such costs shall be used to grant scholarships to
7 eligible students.

8 (7) Sponsoring communities who financially contribute to the
9 eligible financial expenses of eligible medical students may enter into
10 agreements with the student to require repayment should the student not
11 serve the required service obligation in the community as a primary
12 care physician. The board may develop criteria for the content of such
13 agreements with respect to reasonable provisions and obligations
14 between communities and eligible students.

15 (8) The board may make exceptions to the conditions for
16 participation and repayment obligations should circumstances beyond the
17 control of individual participants warrant such exceptions.

18 **Sec. 17.** RCW 28B.20.500 and 1990 c 271 s 9 are each amended to
19 read as follows:

20 The school of medicine at the University of Washington shall
21 develop and implement a policy to grant admission preference to
22 prospective medical students from rural areas of the state who agree to
23 serve for at least five years as primary care physicians in rural areas
24 of Washington after completion of their medical education and have
25 applied for and meet the qualifications of the program under ((RCW
26 70.180.050)) chapter 28B.50 (codified pursuant to section 26 of this
27 act). Should the school of medicine be unable to fill any or all of
28 the admission openings due to a lack of applicants from rural areas who
29 meet minimum qualifications for study at the medical school, it may

1 admit students not eligible for preferential admission under this
2 section.

3 **Sec. 18.** RCW 70.180.005 and 1990 c 271 s 1 are each amended to
4 read as follows:

5 The legislature finds that a health care access problem exists in
6 rural areas of the state (~~due to a lack of practicing physicians,~~
7 ~~physician assistants, pharmacists, and advanced registered nurse~~
8 ~~practitioners. In addition, many of these~~) because rural health care
9 providers are unable to leave the community for short-term periods of
10 time to attend required continuing education training or for personal
11 matters because their absence would leave the community without
12 adequate medical care coverage. The lack of adequate medical coverage
13 in geographically remote rural communities constitutes a threat to the
14 health and safety of the people in those communities.

15 The legislature declares that it is in the public interest to
16 recruit and maintain a pool of physicians, physician assistants,
17 pharmacists, and advanced registered nurse practitioners willing and
18 able on short notice to practice in rural communities on a short-term
19 basis to meet the medical needs of the community.

20 NEW SECTION. **Sec. 19.** DEDICATED ACCOUNT--TRUST FUND. (1) Any
21 funds appropriated by the legislature for the health professional loan
22 repayment and scholarship program or any other public or private funds
23 intended for loan repayments or scholarships under this program shall
24 be placed in the account created by this section.

25 (2) The health professional loan repayment and scholarship program
26 fund is created in custody of the state treasurer. All receipts from
27 the program shall be deposited into the fund. Only the higher
28 education coordinating board, or its designee, may authorize

1 expenditures from the fund. The fund is subject to allotment
2 procedures under chapter 43.88 RCW, but no appropriation is required
3 for expenditures.

4 NEW SECTION. **Sec. 20.** A new section is added to chapter 70.180
5 RCW to read as follows:

6 DEFINITIONS. Unless the context clearly requires otherwise, the
7 definitions in this section apply throughout this chapter.

8 (1) "Department" means the department of health.

9 (2) "Rural areas" means a rural area in the state of Washington as
10 identified by the department.

11 PART 5

12 CREDENTIALING BY ENDORSEMENT

13 NEW SECTION. **Sec. 21.** A new section is added to chapter 18.53 RCW
14 to read as follows:

15 CREDENTIALING BY ENDORSEMENT--OPTOMETRY. An applicant holding a
16 credential in another state may be credentialed to practice in this
17 state without examination if the board determines that the other
18 state's credentialing standards are substantially equivalent to the
19 standards in this state.

20 NEW SECTION. **Sec. 22.** A new section is added to chapter 18.35 RCW
21 to read as follows:

22 CREDENTIALING BY ENDORSEMENT--HEARING AIDE DISPENSERS. An
23 applicant holding a credential in another state may be credentialed to
24 practice in this state without examination if the board determines that
25 the other state's credentialing standards are substantially equivalent
26 to the standards in this state.

- 1 (10) RCW 28B.102.900 and 1987 c 437 s 9;
2 (11) RCW 28B.102.905 and 1987 c 437 s 10;
3 (12) RCW 70.180.007 and 1990 c 271 s 5;
4 (13) RCW 70.180.010 and 1990 c 271 s 6;
5 (14) RCW 70.180.050 and 1990 c 271 s 7;
6 (15) RCW 70.180.060 and 1990 c 271 s 8;
7 (16) RCW 70.180.070 and 1990 c 271 s 10;
8 (17) RCW 70.180.080 and 1990 c 271 s 11;
9 (18) RCW 70.180.090 and 1990 c 271 s 12;
10 (19) RCW 70.180.100 and 1990 c 271 s 13; and
11 (20) RCW 70.180.910 and 1990 c 271 s 19.

12 NEW SECTION. **Sec. 26.** RCW 18.150.010, 18.150.020, 18.150.030,
13 18.150.040, 18.150.050, 18.150.060, 18.150.070, 18.150.900, and
14 18.150.910 are each recodified as a new chapter in Title 28B RCW.

15 NEW SECTION. **Sec. 27.** Sections 8, 10, 11, 12, 14, 16, and 19 of
16 this act are each added to the new chapter in Title 28B RCW created by
17 section 26 of this act.

18 NEW SECTION. **Sec. 28.** Sections 3 and 4 of this act shall
19 constitute a new chapter in Title 28B RCW.

20 **Sec. 29.** RCW 18.130.180 and 1989 c 270 s 33 are each amended to
21 read as follows:

22 The following conduct, acts, or conditions constitute
23 unprofessional conduct for any license holder or applicant under the
24 jurisdiction of this chapter:

25 (1) The commission of any act involving moral turpitude,
26 dishonesty, or corruption relating to the practice of the person's

1 profession, whether the act constitutes a crime or not. If the act
2 constitutes a crime, conviction in a criminal proceeding is not a
3 condition precedent to disciplinary action. Upon such a conviction,
4 however, the judgment and sentence is conclusive evidence at the
5 ensuing disciplinary hearing of the guilt of the license holder or
6 applicant of the crime described in the indictment or information, and
7 of the person's violation of the statute on which it is based. For the
8 purposes of this section, conviction includes all instances in which a
9 plea of guilty or nolo contendere is the basis for the conviction and
10 all proceedings in which the sentence has been deferred or suspended.
11 Nothing in this section abrogates rights guaranteed under chapter 9.96A
12 RCW;

13 (2) Misrepresentation or concealment of a material fact in
14 obtaining a license or in reinstatement thereof;

15 (3) All advertising which is false, fraudulent, or misleading;

16 (4) Incompetence, negligence, or malpractice which results in
17 injury to a patient or which creates an unreasonable risk that a
18 patient may be harmed. The use of a nontraditional treatment by itself
19 shall not constitute unprofessional conduct, provided that it does not
20 result in injury to a patient or create an unreasonable risk that a
21 patient may be harmed;

22 (5) Suspension, revocation, or restriction of the individual's
23 license to practice the profession by competent authority in any state,
24 federal, or foreign jurisdiction, a certified copy of the order,
25 stipulation, or agreement being conclusive evidence of the revocation,
26 suspension, or restriction;

27 (6) The possession, use, prescription for use, or distribution of
28 controlled substances or legend drugs in any way other than for
29 legitimate or therapeutic purposes, diversion of controlled substances

1 or legend drugs, the violation of any drug law, or prescribing
2 controlled substances for oneself;

3 (7) Violation of any state or federal statute or administrative
4 rule regulating the profession in question, including any statute or
5 rule defining or establishing standards of patient care or professional
6 conduct or practice;

7 (8) Failure to cooperate with the disciplining authority by:

8 (a) Not furnishing any papers or documents;

9 (b) Not furnishing in writing a full and complete explanation
10 covering the matter contained in the complaint filed with the
11 disciplining authority; or

12 (c) Not responding to subpoenas issued by the disciplining
13 authority, whether or not the recipient of the subpoena is the accused
14 in the proceeding;

15 (9) Failure to comply with an order issued by the disciplining
16 authority or an assurance of discontinuance entered into with the
17 disciplining authority;

18 (10) Aiding or abetting an unlicensed person to practice when a
19 license is required;

20 (11) Violations of rules established by any health agency;

21 (12) Practice beyond the scope of practice as defined by law or
22 rule;

23 (13) Misrepresentation or fraud in any aspect of the conduct of the
24 business or profession;

25 (14) Failure to adequately supervise auxiliary staff to the extent
26 that the consumer's health or safety is at risk;

27 (15) Engaging in a profession involving contact with the public
28 while suffering from a contagious or infectious disease involving
29 serious risk to public health;

1 (16) Promotion for personal gain of any unnecessary or
2 inefficacious drug, device, treatment, procedure, or service;

3 (17) Conviction of any gross misdemeanor or felony relating to the
4 practice of the person's profession. For the purposes of this
5 subsection, conviction includes all instances in which a plea of guilty
6 or nolo contendere is the basis for conviction and all proceedings in
7 which the sentence has been deferred or suspended. Nothing in this
8 section abrogates rights guaranteed under chapter 9.96A RCW;

9 (18) The procuring, or aiding or abetting in procuring, a criminal
10 abortion;

11 (19) The offering, undertaking, or agreeing to cure or treat
12 disease by a secret method, procedure, treatment, or medicine, or the
13 treating, operating, or prescribing for any health condition by a
14 method, means, or procedure which the licensee refuses to divulge upon
15 demand of the disciplining authority;

16 (20) The willful betrayal of a practitioner-patient privilege as
17 recognized by law;

18 (21) Violation of chapter 19.68 RCW;

19 (22) Interference with an investigation or disciplinary proceeding
20 by willful misrepresentation of facts before the disciplining authority
21 or its authorized representative, or by the use of threats or
22 harassment against any patient or witness to prevent them from
23 providing evidence in a disciplinary proceeding or any other legal
24 action;

25 (23) Current misuse of:

26 (a) Alcohol;

27 (b) Controlled substances; or

28 (c) Legend drugs;

29 (24) Abuse of a client or patient or sexual contact with a client
30 or patient.

1 NEW SECTION. **Sec. 30.** Section captions and part headings as used
2 in sections 3, 4, 10 through 12, 14, 16, 19 through 24, and 25 through
3 30 of this act constitute no part of the law.

4 NEW SECTION. **Sec. 31.** This act is necessary for the immediate
5 preservation of the public peace, health, or safety, or support of the
6 state government and its existing public institutions, and shall take
7 effect immediately.

8 NEW SECTION. **Sec. 32.** If funding for the purposes of sections 1
9 through 28 this act, referencing sections 1 through 28 of this act by
10 bill number, is not provided by June 30, 1991, in the omnibus
11 appropriations act, sections 1 through 28 of this act shall be null and
12 void.

13 NEW SECTION. **Sec. 33.** Nothing in this act is intended to change
14 the scope of practice of any health care profession referred to in this
15 act.