
SECOND SUBSTITUTE SENATE BILL 5782

State of Washington 52nd Legislature 1991 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Barr, Hansen, Snyder, L. Smith and Amondson).

Read first time March 11, 1991.

1 AN ACT Relating to rural health care; amending RCW 70.175.020 and
2 70.175.030; adding a new section to chapter 70.175 RCW; and creating
3 new sections.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that there are
6 barriers to providing residents of rural areas with access to
7 affordable health care coverage through both public and private
8 programs. The legislature further finds that the report on these
9 barriers requested by the legislature in 1990 was prepared by the
10 insurance commissioner's committee on the availability of affordable
11 health insurance in rural areas of Washington state and declares that
12 the regulatory and voluntary actions identified in this report should
13 be pursued within the public and private sectors. The legislature
14 intends through this act to foster the development and implementation
15 of one community-based pilot project aimed at demonstrating the

1 viability of providing health care services to residents of a rural
2 area within the state.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 70.175 RCW
4 to read as follows:

5 In administering and making awards for rural health projects under
6 RCW 70.175.050, the secretary shall establish a process for selecting
7 and making an award to a single participant for the development,
8 design, and implementation of a project designed to provide a rural
9 health care services program to residents of a rural community.
10 Applications for rural health care services pilot programs shall
11 include only contiguous health care catchment areas of the state that
12 are designated as rural. Project funds may be used for any purposes
13 related to the development, design, implementation, or introduction of
14 a rural health care services program except that funds shall not be
15 used to directly contribute to any program reserves used to assure the
16 financial viability of the program. Final approval of a project funded
17 and authorized under this section must be obtained from the secretary
18 before final implementation.

19 **Sec. 3.** RCW 70.175.020 and 1989 1st ex.s. c 9 s 702 are each
20 amended to read as follows:

21 Unless the context clearly requires otherwise, the definitions in
22 this section apply throughout this chapter.

23 (1) "Administrative structure" means a system of contracts or
24 formal agreements between organizations and persons providing health
25 services in an area that establishes the roles and responsibilities
26 each will assume in providing the services of the rural health care
27 facility.

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

1 (3) "Health care delivery system" means services and personnel
2 involved in providing health care to a population in a geographic area.

3 (4) "Health care facility" means any land, structure, system,
4 machinery, equipment, or other real or personal property or
5 appurtenances useful for or associated with delivery of inpatient or
6 outpatient health care service or support for such care or any
7 combination thereof which is operated or undertaken in connection with
8 a hospital, clinic, health maintenance organization, diagnostic or
9 treatment center, extended care facility, or any facility providing or
10 designed to provide therapeutic, convalescent or preventive health care
11 services.

12 (5) "Health care system strategic plan" means a plan developed by
13 the participant and includes identification of health care service
14 needs of the participant, services and personnel necessary to meet
15 health care service needs, identification of health status outcomes and
16 outcome measures, identification of funding sources, and strategies to
17 meet health care needs including measures of effectiveness.

18 (6) "Institutions of higher education" means educational
19 institutions as defined in RCW 28B.10.016.

20 (7) "Local administrator" means an individual or organization
21 representing the participant who may enter into legal agreements on
22 behalf of the participant.

23 (8) "Participant" means communities, counties, and regions that
24 serve as a health care catchment area where the project site is
25 located.

26 (9) "Project" means the Washington rural health system project.

27 (10) "Project site" means a site selected to participate in the
28 project.

29 (11) "Rural health care facility" means a facility, group, or other
30 formal organization or arrangement of facilities, equipment, and

1 personnel capable of providing or assuring availability of health
2 services in a rural area. The services to be provided by the rural
3 health care facility may be delivered in a single location or may be
4 geographically dispersed in the community health service catchment area
5 so long as they are organized under a common administrative structure
6 or through a mechanism that provides appropriate referral, treatment,
7 and follow-up.

8 (12) "Secretary" means the secretary of health.

9 (13) "Rural health care services program" means an arrangement
10 sponsored by a health care organization, municipal corporation, or
11 combination of public and private entities that provides, exclusively
12 for rural residents of its health care catchment area, access to
13 primary, acute, or secondary health care services, either by contract
14 or through the direct delivery of the services.

15 **Sec. 4.** RCW 70.175.030 and 1989 1st ex.s. c 9 s 703 are each
16 amended to read as follows:

17 (1) The department shall establish the Washington rural health
18 system project to provide financial and technical assistance to
19 participants. The goal of the project is to help assure access to
20 affordable health care services to citizens in the rural areas of
21 Washington state.

22 (2) Administrative costs necessary to implement this project shall
23 be kept at a minimum to insure the maximum availability of funds for
24 participants.

25 (3) The secretary may appoint such technical or advisory committees
26 as he or she deems necessary consistent with the provisions of RCW
27 43.70.040. In appointing an advisory committee the secretary should
28 assure representation by health care professionals, health care
29 providers, and those directly involved in the purchase, provision, or

1 delivery of health care services as well as consumers, rural community
2 leaders, and those knowledgeable of the issues involved with health
3 care public policy. Individuals appointed to any technical advisory
4 committee shall serve without compensation for their services as
5 members, but may be reimbursed for their travel expenses pursuant to
6 RCW 43.03.050 and 43.03.060.

7 (4) The secretary may contract with third parties for services
8 necessary to carry out activities to implement this chapter where this
9 will promote economy, avoid duplication of effort, and make the best
10 use of available expertise.

11 (5) The secretary may apply for, receive, participate in, and
12 accept gifts, grants, and other payments, including property and
13 service, from any governmental or other public or private entity or
14 person, and may make arrangements as to the use of these receipts,
15 including the undertaking of special studies and other projects related
16 to the delivery of health care in rural areas.

17 (6) In designing and implementing the project the secretary shall
18 consider the report of the Washington rural health care commission
19 established under chapter 207, Laws of 1988, and for purposes of
20 section 2 of this act, the report of the committee on the availability
21 of affordable health insurance in rural areas of Washington state
22 established under chapter 271, Laws of 1990. Nothing in this chapter
23 requires the secretary to follow any specific recommendation contained
24 in that report except as it may also be included in this chapter.

25 (7) The secretary shall appoint a special advisory committee for
26 the purpose of assisting in establishing standards, making awards,
27 designing the final project, coordinating technical assistance, and
28 providing oversight of the demonstration project authorized under
29 section 2 of this act. This committee shall include the director of
30 the medical assistance program of the department of social and health

1 services, the administrator of the state health care authority, the
2 administrator of the basic health plan, and the director of the
3 department of labor and industries, and may include any other
4 representatives deemed necessary by the secretary.

5 (8) The successful applicant for implementation of a project under
6 section 2 of this act is exempt from all provisions of Title 48 RCW
7 after the secretary makes a specific determination that the applicant:

8 (a) Has obtained an actuarial study through a consultant approved
9 by the secretary which concludes that the rural health care services
10 program is financially viable;

11 (b) Has demonstrated public support from the citizens residing
12 within the catchment area of the rural health care services program
13 through an affirmative vote on that issue presented to them at a
14 general or special election; and

15 (c) Has verified that all provider contracts within the rural
16 health care services program hold individual beneficiaries harmless for
17 charges for services arising in the event of a failure of the plan.

18 NEW SECTION. Sec. 5. If specific funding for the purposes of
19 this act, referencing this act by bill number, is not provided by June
20 30, 1991, in the omnibus appropriations act, this act shall be null and
21 void.