

2 **SSB 5431 - H AMD 703 ADOPTED 4/12/95**
3 By Representative Hymes and others

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5 On page 2, after line 2, insert the following:

6 "NEW SECTION. **Sec. 3.** A new section is added to chapter 43.70 RCW
7 to read as follows:

8 (1) To promote the public interest consistent with the purposes of
9 chapter 492, Laws of 1993 as amended by chapter . . . , Laws of 1995
10 (this act), the department shall continue to require hospitals to
11 submit hospital financial and patient discharge information, which
12 shall be collected, maintained, analyzed, and disseminated by the
13 department. The department may, if deemed cost-effective and
14 efficient, contract with a private entity for any or all parts of data
15 collection. Data elements shall be reported in conformance with a
16 uniform reporting system established by the department. This includes
17 data elements identifying each hospital's revenues, expenses,
18 contractual allowances, charity care, bad debt, other income, total
19 units of inpatient and outpatient services, and other financial
20 information reasonably necessary to fulfill the purposes of chapter
21 492, Laws of 1993 as amended by chapter . . . , Laws of 1995 (this act).
22 Data elements relating to use of hospital services by patients shall be
23 the same as those currently compiled by hospitals through inpatient
24 discharge abstracts. The department shall encourage and permit
25 reporting by electronic transmission or hard copy as is practical and
26 economical to reporters.

27 (2) In identifying financial reporting requirements, the department
28 may require both annual reports and condensed quarterly reports from
29 hospitals, so as to achieve both accuracy and timeliness in reporting,
30 but shall craft such requirements with due regard of the data reporting
31 burdens of hospitals.

32 (3) The health care data collected, maintained, and studied by the
33 department shall only be available for retrieval in original or
34 processed form to public and private requestors and shall be available
35 within a reasonable period of time after the date of request. The cost
36 of retrieving data for state officials and agencies shall be funded

1 through the state general appropriation. The cost of retrieving data
2 for individuals and organizations engaged in research or private use of
3 data or studies shall be funded by a fee schedule developed by the
4 department that reflects the direct cost of retrieving the data or
5 study in the requested form.

6 (4) All persons subject to chapter 492, Laws of 1993 shall comply
7 with departmental requirements established by rule in the acquisition
8 of data.

9 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.70 RCW
10 to read as follows:

11 HEALTH CARE QUALITY--FINDINGS AND INTENT. The legislature finds
12 that it is difficult for consumers of health care services to determine
13 the quality of health care in rural areas and other parts of the state
14 prior to purchase or utilization of medical care. The legislature also
15 finds that accountability is a key component in promoting quality
16 assurance and quality improvement throughout the health care delivery
17 system, including public programs. Quality assurance and improvement
18 standards are necessary to promote the public interest, contribute to
19 cost efficiencies, and improve the ability of consumers to ascertain
20 quality health care purchases.

21 The legislature intends to have consumers, health carriers, health
22 care providers and facilities, and public agencies participate in the
23 development of quality assurance and improvement standards that can be
24 used to develop a uniform quality assurance program for use by all
25 public and private health plans, providers, and facilities. To that
26 end, in conducting the study required under section 3 of this act, the
27 department of health shall:

28 (1) Consider the needs of consumers, employers, health care
29 providers and facilities, and public and private health plans;

30 (2) Take full advantage of existing national standards of quality
31 assurance to extend to middle-income populations the protections
32 required for state management of health programs for low-income
33 populations;

34 (3) Consider the appropriate minimum level of quality assurance
35 standards that should be disclosed to consumers and employers by health
36 care providers and facilities, and public and private health plans; and

1 (4) Consider standards that permit health care providers and
2 facilities to share responsibility for participation in a uniform
3 quality assurance program.

4 NEW SECTION. Sec. 5. A new section is added to chapter 43.70 RCW
5 to read as follows:

6 UNIFORM QUALITY ASSURANCE. (1) The department of health shall
7 study the feasibility of a uniform quality assurance and improvement
8 program for use by all public and private health plans and health care
9 providers and facilities in rural areas and other parts of the state.
10 In this study, the department shall consult with:

11 (a) Public and private purchasers of health care services;

12 (b) Health carriers;

13 (c) Health care providers and facilities; and

14 (d) Consumers of health services.

15 (2) In conducting the study, the department shall adopt standards
16 that meet the needs of affected persons and organizations, whether
17 public or private, without creation of differing levels of quality
18 assurance. All consumers of health services should be afforded the
19 same level of quality assurance.

20 (3) At a minimum, the study shall include but not be limited to the
21 following program components and indicators appropriate for consumer
22 disclosure:

23 (a) Health care provider training, credentialing, and licensure
24 standards;

25 (b) Health care facility credentialing and recredentialing;

26 (c) Staff ratios in health care facilities;

27 (d) Annual mortality and morbidity rates of cases based on a
28 defined set of procedures performed or diagnoses treated in health care
29 facilities, adjusted to fairly consider variable factors such as
30 patient demographics and case severity;

31 (e) The average total cost and average length of hospital stay for
32 a defined set of procedures and diagnoses in health care facilities;

33 (f) The total number of the defined set of procedures, by
34 specialty, performed by each physician at a health care facility within
35 the previous twelve months;

36 (g) Utilization performance profiles by provider, both primary care
37 and specialty care, that have been adjusted to fairly consider variable
38 factors such as patient demographics and severity of case;

- 1 (h) Health plan fiscal performance standards;
- 2 (i) Health care provider and facility recordkeeping and reporting
3 standards;
- 4 (j) Health care utilization management that monitors trends in
5 health service under-utilization, as well as over-utilization of
6 services;
- 7 (k) Health monitoring that is responsive to consumer and purchaser
8 needs; and
- 9 (l) Assessment of consumer satisfaction and disclosure of consumer
10 survey results.

11 (4) In conducting the study, the department shall develop standards
12 that permit each health care facility, provider group, or health
13 carrier to assume responsibility for and determine the physical method
14 of collection, storage, and assimilation of quality indicators for
15 consumer disclosure. The study may define the forms, frequency, and
16 posting requirements for disclosure of information.

17 (5) The department shall submit its final report and
18 recommendations to the legislature by December 31, 1995.

19 (6) The department shall not adopt any rule implementing the
20 uniform quality assurance program or consumer disclosure provisions
21 unless expressly directed to do so by an act of law.

22 NEW SECTION. **Sec. 6.** A new section is added to chapter 43.70 RCW
23 to read as follows:

24 QUALITY ASSURANCE--INTERAGENCY COOPERATION--ELIMINATION AND
25 COORDINATION OF DUPLICATE STATE PROGRAMS. No later than July 1, 1995,
26 the department of health together with the health care authority, the
27 department of social and health services, the office of the insurance
28 commissioner, and the department of labor and industries shall form an
29 interagency group for coordination and consultation on quality
30 assurance activities and collaboration on final recommendations for the
31 study required under section 3 of this act. By December 31, 1995, the
32 group shall review all state agency programs governing health service
33 quality assurance and shall recommend to the legislature, the
34 consolidation, coordination, or elimination of rules and programs that
35 would be made unnecessary pursuant to the development of a uniform
36 quality assurance and improvement program."

1 Renumber the remaining sections consecutively, correct internal
2 references accordingly, and correct the title.

3 EFFECT: Adds language to maintain The Comprehensive Hospital
4 Abstract Reporting System (CHARS) [repealed in a previously adopted
5 measure.] Requires the Department of Health (DOH) to study the
6 feasibility of a uniform quality assurance and improvement program. In
7 doing so, DOH must consult with consumers, health carriers, health care
8 providers and facilities, and public agencies. DOH must submit its
9 final report and recommendations to the Legislature by December 31,
10 1995, but cannot adopt any related rules unless expressly directed to
11 do so by an act of law. Requires DOH, by July 1, 1995, to form an
12 interagency group with the Health Care Authority, the Department of
13 Social and Health Services, the Office of the Insurance Commissioner,
14 and the Department of Labor and Industries for coordination and
15 consultation on quality assurance activities.

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