

HOUSE BILL REPORT

ESHB 1589

As Passed Legislature

Title: An act relating to quality assurance.

Brief Description: Providing health care quality assurance.

Sponsors: By House Committee on Health Care (originally sponsored by Representatives Backlund and Dyer).

Brief History:

Committee Activity:

Health Care: 2/10/95, 2/17/95, 2/28/95 [DPS].

Floor Activity:

Passed House: 3/14/95, 98-0.

Senate Amended.

House Refused to Concur.

Senate Receded.

Senate Amended.

House Concurred.

Passed Legislature.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Dyer, Chairman; Backlund, Vice Chairman; Hymes, Vice Chairman; Dellwo, Ranking Minority Member; Cody, Assistant Ranking Minority Member; Campbell; Casada; Conway; Crouse; Kessler; Sherstad and Skinner.

Minority Report: Without recommendation. Signed by 1 member: Representative Morris.

Staff: Bill Hagens (786-7131).

Background: The 1993 Health Services Act sets forth a comprehensive health data system and health quality improvement process.

Currently, the state quality improvement and medical malpractice prevention program applies only to hospitals and does not permit related state agencies and health carriers to participate.

Presently, there are no standards with respect to ethical conduct governing the terms and conditions of a contract or agreement between providers and payers of health care.

The Comprehensive Hospital Abstract Reporting System (CHARS) was created to gather, analyze, and report hospital discharge data. To finance this activity, there is assessed against "hospitals . . . no more than four one-hundredths of one percent of each hospital's gross operating costs." Although there are different types of CHARS users, hospitals are the sole funding source. The 1993 act placed a tax on hospitals of .75 percent (1994) and 1.5 percent (1995) to be deposited in the Health Services Account for the support of health reform activities. The CHARS assessment was not repealed.

The 1993 health reform act permits the granting of anti-trust immunity to certain health care entities. Since much of the 1993 law is inoperative, some people believe these provisions should be reexamined.

Summary of Bill: The Comprehensive Hospital Abstract Reporting System (CHARS) is maintained. The CHARS assessment is repealed if off-setting funds are made available in the biennial budget.

The Department of Health, in cooperation with the newly created Health Care Policy Board, and the State Information Services Board, is required to develop health care data standards to be used by, and developed in collaboration with, consumers, purchasers, health carriers, providers, and state government.

The Department of Health (DOH) is required to study the feasibility of a uniform quality assurance and improvement program. In doing so, DOH must consult with consumers, health carriers, health care providers and facilities, and public agencies. The study shall include but not be limited to: Health care provider training, credentialing, and licensure standards; health care facility credentialing and recredentialing; staff ratios in health care facilities; mortality and morbidity rates; cost and average length of hospital stays; number of the defined set of procedures; utilization performance profiles by provider; and other elements. DOH must submit its final report and recommendations to the Legislature by December 31, 1995, but cannot adopt any related rules unless expressly directed to do so by an act of law.

By July 1, 1995, the DOH must form an interagency group with the Health Care Authority, the Department of Social and Health Services, the Office of the Insurance

Commissioner, and the Department of Labor and Industries for coordination and consultation on quality assurance activities.

Health related stated agencies, health maintenance organizations, and health service contractors are authorized to develop a quality improvement and medical malpractice prevention program consistent with state law.

Anti-trust provisions are modified as follows: Between the time the Governor signs this act and June 30, 1996, health care entities may not initiate procedures for anti-trust immunity protection; provisions are added to protect trade secret or proprietary information; the anti-trust authority presently under the Health Services Commission is transferred to the newly created Health Care Policy Board, however, when the board is exercising such authority, legislative members of the board are not deemed members; and the Attorney General is required to study the impact on competition and efficiency of anti-trust immunities and report to the Legislature by December 15, 1995.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: None was presented for bill as substituted.

Testimony Against: None was presented against bill as substituted.

Testified: None for bill as substituted.