

**SSB 5209 - S AMD 154**

By Senator Thibaudeau

NOT ADOPTED 03/13/2003

1 On page 12, after line 3, insert the following:

2 "Sec. 12. RCW 43.70.110 and 1993 sp.s. c 24 s 918 are each amended  
3 to read as follows:

4 (1) The secretary shall charge fees to the licensee for obtaining  
5 a license. After June 30, 1995, municipal corporations providing  
6 emergency medical care and transportation services pursuant to chapter  
7 18.73 RCW shall be exempt from such fees, provided that such other  
8 emergency services shall only be charged for their pro rata share of  
9 the cost of licensure and inspection, if appropriate. The secretary  
10 may waive the fees when, in the discretion of the secretary, the fees  
11 would not be in the best interest of public health and safety, or when  
12 the fees would be to the financial disadvantage of the state.

13 (2) Except as provided in section 14 of this act, fees charged  
14 shall be based on, but shall not exceed, the cost to the department for  
15 the licensure of the activity or class of activities and may include  
16 costs of necessary inspection.

17 (3) Department of health advisory committees may review fees  
18 established by the secretary for licenses and comment upon the  
19 appropriateness of the level of such fees.

20 **Sec. 13.** RCW 43.70.250 and 1996 c 191 s 1 are each amended to read  
21 as follows:

22 It shall be the policy of the state of Washington that the cost of  
23 each professional, occupational, or business licensing program be fully  
24 borne by the members of that profession, occupation, or business. The  
25 secretary shall from time to time establish the amount of all  
26 application fees, license fees, registration fees, examination fees,  
27 permit fees, renewal fees, and any other fee associated with licensing  
28 or regulation of professions, occupations, or businesses administered  
29 by the department. In fixing said fees, the secretary shall set the

1 fees for each program at a sufficient level to defray the costs of  
2 administering that program and the patient safety fee established in  
3 section 14 of this act. All such fees shall be fixed by rule adopted  
4 by the secretary in accordance with the provisions of the  
5 administrative procedure act, chapter 34.05 RCW.

6 NEW SECTION. Sec. 14. A new section is added to chapter 43.70 RCW  
7 to read as follows:

8 (1) The secretary shall increase the licensing fee established  
9 under RCW 43.70.110 for health care professionals and facilities  
10 designated in subsection (2) of this section by one percent of the  
11 amount of the applicable annual licensing fee. Proceeds of the patient  
12 safety fee must be dedicated to patient safety and medical error  
13 reduction efforts that have been proven to improve the quality of care  
14 provided by health care professionals and facilities.

15 (2) Health care professionals and facilities subject to the one  
16 percent patient safety fee include:

17 (a) Health care professionals licensed under Title 18 RCW; and

18 (b) Hospitals licensed under chapter 70.41 RCW, psychiatric  
19 hospitals licensed under chapter 71.12 RCW, and ambulatory diagnostic,  
20 treatment, or surgical facilities licensed under chapter 70.41 RCW.

21 (3) Patient safety fee proceeds shall be administered by the  
22 department of health, in consultation with established patient safety  
23 coalitions. Proceeds will be distributed in the form of grants, loans,  
24 or other appropriate arrangements to support strategies that have been  
25 proven to reduce medical errors and enhance patient safety. In  
26 developing criteria, for the award of grants, loans, or other funding  
27 arrangements under this section, the department shall rely upon  
28 evidence-based practices to improve patient safety that have been  
29 identified and recommended by governmental and private organizations,  
30 including but not limited to:

31 (a) The federal agency for health care quality and research;

32 (b) The federal institute of medicine; and

33 (c) The joint commission on accreditation of health care  
34 organizations.

35 NEW SECTION. Sec. 15. A new section is added to chapter 7.70 RCW  
36 to read as follows:

1 (1) One percent of the present value of the settlement or verdict  
2 in any action for damages based upon injuries resulting from health  
3 care shall be deducted from the settlement or verdict as a patient  
4 safety fee. Proceeds of the patient safety fee will be distributed by  
5 the department of health in the form of grants, loans, or other  
6 appropriate arrangements to support strategies that have been proven to  
7 reduce medical errors and enhance patient safety as provided in section  
8 14 of this act.

9 (2) Patient safety fees shall be transmitted to the secretary of  
10 the department of health for deposit into the patient safety account  
11 established in section 17 of this act.

12 (3) The supreme court shall by rule adopt procedures to implement  
13 this section.

14 NEW SECTION. **Sec. 16.** A new section is added to chapter 43.70 RCW  
15 to read as follows:

16 The secretary may solicit and accept grants or other funds from  
17 public and private sources to support patient safety and medical error  
18 reduction efforts under this act. Any grants or funds received may be  
19 used to enhance these activities as long as program standards  
20 established by the secretary are maintained.

21 NEW SECTION. **Sec. 17.** A new section is added to chapter 43.70 RCW  
22 to read as follows:

23 The patient safety account is created in the custody of the state  
24 treasurer. All receipts from the fees created in section 14 of this  
25 act must be deposited into the account. Expenditures from the account  
26 may be used only for the purposes of this act. Only the secretary or  
27 the secretary's designee may authorize expenditures from the account.  
28 The account is subject to allotment procedures under chapter 43.88 RCW,  
29 but an appropriation is not required for expenditures."

30 Renumber the remaining sections consecutively.

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1        On page 1, line 2 of the title, after "4.16.350," strike "and  
2        7.70.080" and insert "7.70.080, 43.70.110, and 43.70.250"

3        On page 1, line 5 of the title, after "RCW;" insert "adding new  
4        sections to chapter 43.70 RCW;"

EFFECT: Using a portion of settlements and verdicts in health care actions and an increase in licencing fees for certain health care professionals and facilities, a patient safety account for use in supporting strategies proven to reduce medical errors and enhance patient safety.

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