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**Financial Institutions &  
Insurance Committee**

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**HB 1851**

**Brief Description:** Awarding credits against medical malpractice insurance rates for patient safety activities.

**Sponsors:** Representatives Schual-Berke, Campbell, Cody, Benson, Sommers, Kenney, Moeller, Santos, Morrell, Lantz and Rockefeller.

**Brief Summary of Bill**

- Requires that the Department of Health create procedures and protocols for the formal approval of medical error reduction programs that meet specified criteria.
- Requires insurers to provide credits against medical malpractice insurance rates for health care providers whose medical error reduction programs have been approved by the Department of Health.

**Hearing Date:** 2/18/03.

**Staff:** Thamas Osborn (786-7129).

**Background:**

Coordinated quality improvement programs: State law requires that every hospital maintain a "coordinated quality improvement program" whose purpose is to improve the quality of health care services rendered to patients, as well as to identify and prevent medical malpractice. Such programs are regulated by the Department of Health (Department) and are subject to specified requirements, which include:

- the establishment of a quality-improvement committee;
- a procedure for the periodic review of staff credentials and overall competence;
- procedures for the prompt resolution of patient grievances;
- procedures for the collection and maintenance of information relevant to the evaluation of the quality of the services provided to patients; and
- the implementation of education programs related to patient safety and the overall improvement of patient care.

Other types of health care institutions, health care providers, and medical facilities that are subject to regulation by the state *may* also implement coordinated quality improvement programs. Such programs must meet the same requirements imposed by law on hospital-based programs.

**Summary of Bill:**

Approval of medical error reduction programs: The bill authorizes the Department to create procedures and protocols for the formal approval of those coordinated quality improvement programs that have been proven to have reduced serious medical errors and enhanced patient safety. The Department is required to consult with the Office of the Insurance Commissioner (OIC) to develop rules that establish criteria for the approval of the programs. In developing the criteria, the Department and the OIC must rely heavily on proven patient safety practices that have been recommended by specified governmental and private health care organizations.

Insurance premium credit: Physicians, hospitals, and other health care providers whose medical error reduction programs have been approved by the Department are entitled to a reduction in their medical malpractice insurance premiums. The OIC, in consultation with the Department, is required to adopt rules to determine the amount of insurance premium credit to be received by insureds whose medical error reduction programs have been approved. In filing their rates with the OIC, medical-malpractice insurers must provide a credit towards such coverage for all health care providers whose medical error reduction programs have received the requisite approval.

**Appropriation:** None.

**Fiscal Note:** Requested on February 13, 2003.

**Effective Date:** The bill takes effect ninety days after adjournment of session in which bill is passed.