

HOUSE BILL REPORT

HB 1865

As Reported by House Committee On:

Health Care
Appropriations

Title: An act relating to improving health care professional and health care facility patient safety practices.

Brief Description: Improving patient safety practices.

Sponsors: Representatives Cody, Campbell, Morrell, Schual-Berke, Kenney, Haigh, Conway and Santos.

Brief History:

Committee Activity:

Health Care: 2/20/03, 2/27/03 [DPS];
Appropriations: 3/4/03, 3/8/03 [DP2S(w/o sub HC)].

Brief Summary of Second Substitute Bill

- Creates the Patient Safety Account (Account) which is funded through a payment of 1 percent of any settlement or judgement in actions for injuries resulting from health care.
- The Patient Safety Program is subject to a sunset termination and review in 2008.
- Requires that money from the Account be used to fund medical error reduction and patient safety programs.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Cody, Chair; Morrell, Vice Chair; Pflug, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Benson, Campbell, Clibborn, Darneille, Edwards, Moeller, Schual-Berke and Skinner.

Staff: Chris Blake (786-7392).

Background:

Health Care Facility Quality Improvement Activities

Hospitals are required to maintain a quality improvement and medical malpractice prevention program. The program must include a committee to review the quality of medical care, periodic reviews of the credentials of health care providers, and patient safety-related education programs. Other licensed health care institutions and medical facilities may create their own quality improvement programs upon application to the Department of Health (Department).

Health Professions Licensing Fees

The Department and the various health profession boards and commissions issue credentials to 55 types of health care providers. There are over 250,000 credentialed health care providers in Washington. Fees for these credentials are established at a rate that will cover the cost to the Department to regulate the providers within each individual profession.

Actions for Injuries Resulting from Health Care

Claims from plaintiffs who allege to have been injured as a result of the health care services that they received may be based on one of three propositions: (1) that the health care provider failed to follow the accepted standard of care; (2) that the health care provider promised the patient that the resulting injury would not occur; or (3) that the injury was the result of health care services that the patient did not consent to receiving. The term health care providers– includes licensed health care providers, a health care facility, or the employee or agent of a licensed health care provider or health care facility. It is required that all actions for injuries resulting from health care go through mandatory mediation before a trial begins.

Summary of Substitute Bill:

The "Patient Safety Account" (Account) is created. The Account is to be funded in two ways. First, an additional 1 percent of the licensing fee for health care providers, acute care hospitals, and psychiatric hospitals shall be charged to the license holder. Second, 1 percent of the value of any settlement or judgment in an action for injuries resulting from health care must be provided to the Department of Health (Department) for transfer into the Account.

The Account is to be used for grants, loans, and other arrangements that support efforts to reduce medical errors and enhance patient safety. The Department must establish criteria for the types of programs to receive funds. The criteria must emphasize evidence-based practices recommended by governmental and private organizations including the Agency for Health Care Quality and Research, the Institute of Medicine,

the Joint Commission on Accreditation of Health Care Organizations, and the National Quality Forum.

The Account is a non-appropriated account and the Secretary of Health may authorize expenditures. The program will last for two years and the Department must report to the Legislature on the funds raised and distributed.

Substitute Bill Compared to Original Bill:

The program is limited to two years. Health care workers are to be consulted in the funding criteria development process. A report to the Legislature that addresses the funds raised, the distribution criteria, and the grants and loans funded is required.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: This bill will help fund medical error reduction programs and promote better patient care through a no fault approach.

Testimony Against: Health care providers need to have more input in the funding criteria process. Money raised from licensing fees should be more equitably apportioned between the different professions and facilities.

Testified: (In support with concerns) Joan Garner, Washington State Nurses Association; and Ron Weaver, Department of Health.

(Support concept) Ken Bertrand, Group Health; and Lisa Thatcher, Washington State Hospital Association.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Health Care. Signed by 27 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Sehlin, Ranking Minority Member; Pearson, Assistant Ranking Minority Member; Alexander, Boldt, Buck, Clements, Cody, Conway, Cox, DeBolt, Dunshee, Grant, Hunter, Kagi, Kenney, Kessler, Linville, McDonald, McIntire, Miloscia, Pflug, Ruderman, Schual-Berke, Sump and Talcott.

Staff: Amy Hanson (786-7118).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Health Care:

Revenue to the Patient Safety Account (Account) is limited to a 1 percent set aside from medical malpractice settlements and judgements. The 1 percent licensing surcharge is eliminated as a source of revenue to the Account. The provisions that limit the patient safety fee and patient safety set aside to calendar years 2004 and 2005 are deleted and the program is instead subject to sunset termination and review in 2008.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Second Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed, except for sections 2 and 3 which take effect January 1, 2004.

Testimony For: None.

Testimony Against: None.

Testified: None.