
ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1291

State of Washington

59th Legislature

2005 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Cody, Bailey, Morrell, Hinkle, Green, Moeller, Kessler, Haigh, Linville, Kagi, Santos and Ormsby)

READ FIRST TIME 03/07/05.

1 AN ACT Relating to improving health care professional and health
2 care facility patient safety practices; amending RCW 43.70.110 and
3 43.70.250; adding new sections to chapter 43.70 RCW; adding a new
4 section to chapter 7.70 RCW; creating a new section; providing an
5 effective date; and declaring an emergency.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

8 (a) Thousands of patients are injured each year in the United
9 States as a result of medical errors, and that a comprehensive approach
10 is needed to effectively reduce the incidence of medical errors in our
11 health care system. Implementation of proven patient safety strategies
12 can reduce medical errors, and thereby potentially reduce the need for
13 disciplinary actions against licensed health care professionals and
14 facilities, and the frequency and severity of medical malpractice
15 claims; and

16 (b) Health care providers, health care facilities, and health
17 carriers can and should be supported in their efforts to improve
18 patient safety and reduce medical errors by encouraging health care
19 facilities and providers to communicate openly with patients regarding

1 medical errors that have occurred and steps that can be taken to
2 prevent errors from occurring in the future, encouraging health care
3 facilities and providers to work cooperatively in their patient safety
4 efforts, and increasing funding available to implement proven patient
5 safety strategies.

6 (2) Through the adoption of this act, the legislature intends to
7 positively influence the safety and quality of care provided in
8 Washington state's health care system.

9 **Sec. 2.** RCW 43.70.110 and 1993 sp.s. c 24 s 918 are each amended
10 to read as follows:

11 (1) The secretary shall charge fees to the licensee for obtaining
12 a license. After June 30, 1995, municipal corporations providing
13 emergency medical care and transportation services pursuant to chapter
14 18.73 RCW shall be exempt from such fees, provided that such other
15 emergency services shall only be charged for their pro rata share of
16 the cost of licensure and inspection, if appropriate. The secretary
17 may waive the fees when, in the discretion of the secretary, the fees
18 would not be in the best interest of public health and safety, or when
19 the fees would be to the financial disadvantage of the state.

20 (2) Except as provided in section 4 of this act, fees charged shall
21 be based on, but shall not exceed, the cost to the department for the
22 licensure of the activity or class of activities and may include costs
23 of necessary inspection.

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

27 **Sec. 3.** RCW 43.70.250 and 1996 c 191 s 1 are each amended to read
28 as follows:

29 It shall be the policy of the state of Washington that the cost of
30 each professional, occupational, or business licensing program be fully
31 borne by the members of that profession, occupation, or business. The
32 secretary shall from time to time establish the amount of all
33 application fees, license fees, registration fees, examination fees,
34 permit fees, renewal fees, and any other fee associated with licensing
35 or regulation of professions, occupations, or businesses administered
36 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 4 of this act. All such fees shall be fixed by rule adopted by
4 the secretary in accordance with the provisions of the administrative
5 procedure act, chapter 34.05 RCW.

6 NEW SECTION. **Sec. 4.** 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 by two dollars for the health care professionals
10 designated in subsection (2) of this section and by two dollars per
11 licensed bed for the health care facilities designated in subsection
12 (2) of this section. Proceeds of the patient safety fee must be
13 deposited into the patient safety account in section 8 of this act and
14 dedicated to patient safety and medical error reduction efforts that
15 have been proven to improve, or have a substantial likelihood of
16 improving the quality of care provided by health care professionals and
17 facilities.

18 (2) The health care professionals and facilities subject to the
19 patient safety fee are:

20 (a) The following health care professionals licensed under Title 18
21 RCW:

22 (i) Registered nurses and licensed practical nurses licensed under
23 chapter 18.79 RCW;

24 (ii) Chiropractors licensed under chapter 18.25 RCW;

25 (iii) Dentists licensed under chapter 18.32 RCW;

26 (iv) Midwives licensed under chapter 18.50 RCW;

27 (v) Naturopaths licensed under chapter 18.36A RCW;

28 (vi) Optometrists licensed under chapter 18.53 RCW;

29 (vii) Osteopathic physicians licensed under chapter 18.57 RCW;

30 (viii) Osteopathic physicians' assistants licensed under chapter
31 18.57A RCW;

32 (ix) Pharmacists and pharmacies licensed under chapter 18.64 RCW;

33 (x) Physicians licensed under chapter 18.71 RCW;

34 (xi) Physician assistants licensed under chapter 18.71A RCW;

35 (xii) Podiatrists licensed under chapter 18.22 RCW; and

36 (xiii) Psychologists licensed under chapter 18.83 RCW; and

1 (b) Hospitals licensed under chapter 70.41 RCW and psychiatric
2 hospitals licensed under chapter 71.12 RCW.

3 NEW SECTION. **Sec. 5.** A new section is added to chapter 7.70 RCW
4 to read as follows:

5 (1) One percent of all attorneys' fees received for representation
6 of claimants or defendants in actions brought under this chapter that
7 result in payment to a claimant shall be paid as a patient safety set
8 aside. Proceeds of the patient safety set aside will be distributed by
9 the department of health in the form of grants, loans, or other
10 appropriate arrangements to support strategies that have been proven to
11 reduce medical errors and enhance patient safety, or have a substantial
12 likelihood of reducing medical errors and enhancing patient safety, as
13 provided in section 4 of this act.

14 (2) A patient safety set aside shall be transmitted to the
15 secretary of the department of health by the attorney who receives fees
16 under subsection (1) of this section for deposit into the patient
17 safety account established in section 8 of this act.

18 (3) The Washington state supreme court shall by rule adopt
19 procedures to implement this section.

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

22 (1)(a) Patient safety fee and set aside proceeds shall be
23 administered by the department, after seeking input from health care
24 providers engaged in direct patient care activities, health care
25 facilities, health care provider organizations, and other interested
26 parties. In developing criteria for the award of grants, loans, or
27 other appropriate arrangements under this section, the department shall
28 rely primarily upon evidence-based practices to improve patient safety
29 that have been identified and recommended by governmental and private
30 organizations, including, but not limited to:

- 31 (i) The federal agency for health care quality and research;
- 32 (ii) The institute of medicine of the national academy of sciences;
- 33 (iii) The joint commission on accreditation of health care
34 organizations; and
- 35 (iv) The national quality forum.

1 (b) The department shall award grants, loans, or other appropriate
2 arrangements for at least two strategies that are designed to meet the
3 goals and recommendations of the federal institute of medicine's
4 report, "Keeping Patients Safe: Transforming the Work Environment of
5 Nurses."

6 (2) Projects that have been proven to reduce medical errors and
7 enhance patient safety shall receive priority for funding over those
8 that are not proven, but have a substantial likelihood of reducing
9 medical errors and enhancing patient safety. All project proposals
10 must include specific performance and outcome measures by which to
11 evaluate the effectiveness of the project. Project proposals that do
12 not propose to use a proven patient safety strategy must include, in
13 addition to performance and outcome measures, a detailed description of
14 the anticipated outcomes of the project based upon any available
15 related research and the steps for achieving those outcomes.

16 (3) The department may use a portion of the patient safety fee
17 proceeds for the costs of administering the program.

18 NEW SECTION. **Sec. 7.** A new section is added to chapter 43.70 RCW
19 to read as follows:

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

25 NEW SECTION. **Sec. 8.** A new section is added to chapter 43.70 RCW
26 to read as follows:

27 The patient safety account is created in the state treasury. All
28 receipts from the fees and set asides created in sections 4 and 5 of
29 this act must be deposited into the account. Expenditures from the
30 account may be used only for the purposes of this act. Moneys in the
31 account may be spent only after appropriation.

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

34 By December 1, 2008, the department shall report the following

1 information to the governor and the health policy and fiscal committees
2 of the legislature:

3 (1) The amount of patient safety fees and set asides deposited to
4 date in the patient safety account;

5 (2) The criteria for distribution of grants, loans, or other
6 appropriate arrangements under this act; and

7 (3) A description of the medical error reduction and patient safety
8 grants and loans distributed to date, including the stated performance
9 measures, activities, timelines, and detailed information regarding
10 outcomes for each project.

11 NEW SECTION. **Sec. 10.** If any provision of this act or its
12 application to any person or circumstance is held invalid, the
13 remainder of the act or the application of the provision to other
14 persons or circumstances is not affected.

15 NEW SECTION. **Sec. 11.** Section 4 of this act is necessary for the
16 immediate preservation of the public peace, health, or safety, or
17 support of the state government and its existing public institutions,
18 and takes effect July 1, 2005.

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