
SUBSTITUTE SENATE BILL 6698

State of Washington

61st Legislature

2010 Regular Session

By Senate Health & Long-Term Care (originally sponsored by Senators Keiser, Marr, Murray, Fairley, and Kohl-Welles)

READ FIRST TIME 02/05/10.

1 AN ACT Relating to the acquisition of nonprofit hospitals; and
2 amending RCW 70.45.100 and 70.45.080.

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

4 **Sec. 1.** RCW 70.45.100 and 1997 c 332 s 10 are each amended to read
5 as follows:

6 The department shall require (~~periodic~~) annual reports from the
7 nonprofit corporation or its successor nonprofit corporation or
8 foundation and from the acquiring person or other parties to the
9 acquisition to ensure compliance with commitments made. The department
10 may subpoena information and documents and may conduct on-site
11 compliance audits at the acquiring person's expense. The reports must
12 continue for ten consecutive years after the completion of the sale.

13 If the department receives information indicating that the
14 acquiring person is not fulfilling commitments to the affected
15 community under RCW 70.45.080, the department shall hold a hearing upon
16 ten days' notice to the affected parties. If after the hearing the
17 department determines that the (~~information is true, it~~) acquiring
18 person is not fulfilling commitments to the affected community, the
19 department is authorized to take one or more of the following actions

1 as conditions of the hospital license: (1) Impose reasonable
2 conditions on a license such as require corrective action within a
3 specific period of time; (2) impose civil penalties of not more than
4 five hundred dollars per day per violation; or (3) suspend, revoke, or
5 refuse to renew a license. If the terms of corrective action dictated
6 by the department are not adhered to by the acquiring person according
7 to required timelines and conditions, the department may immediately
8 revoke or suspend the hospital license issued to the acquiring person
9 ((pursuant to the procedure established under RCW 70.41.130)), refer
10 the matter to the attorney general for appropriate action, or both.
11 The attorney general may seek a court order compelling the acquiring
12 person to fulfill its commitments under RCW 70.45.080.

13 **Sec. 2.** RCW 70.45.080 and 1997 c 332 s 8 are each amended to read
14 as follows:

15 The department shall only approve an application if the acquisition
16 in question will not detrimentally affect the continued existence of
17 accessible, affordable health care that is responsive to the needs of
18 the community in which the hospital to be acquired is located. ~~((To~~
19 ~~this end,))~~ The department shall consult with a qualified independent
20 expert to determine the health impact of the acquisition in question.
21 The health impact study will provide the department with health data
22 regarding the impact of the sale and identify specific conditions that
23 should be placed on a proposed sale to ensure that it provides the most
24 benefit possible to the people of the impacted area. Any costs related
25 to the consultation shall be at the expense of the acquiring person, in
26 addition to the fees charged under RCW 70.45.030. The department shall
27 not approve an application unless, at a minimum, it determines that:

28 (1) Sufficient safeguards are included to assure the affected
29 community continued access to affordable care, and that alternative
30 sources of care are available in the community should the acquisition
31 result in a reduction or elimination of particular health services;

32 (2) The acquisition will not result in the revocation of hospital
33 privileges;

34 (3) Sufficient safeguards are included to maintain appropriate
35 capacity for health science research and health care provider
36 education;

1 (4) The acquiring person and parties to the acquisition are
2 committed to providing health care to the disadvantaged, the uninsured,
3 and the underinsured and to providing benefits to promote improved
4 health in the affected community. Activities and funding provided
5 under RCW 70.45.070(8) may be considered in evaluating compliance with
6 this commitment; and

7 (5) Sufficient safeguards are included to avoid conflict of
8 interest in patient referral.

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