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ENGROSSED SUBSTITUTE HOUSE BILL 2229

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State of Washington

62nd Legislature

2012 Regular Session

By House Health Care & Wellness (originally sponsored by Representatives Jinkins, Hasegawa, Darneille, Wylie, Cody, and Roberts)

READ FIRST TIME 01/31/12.

1 AN ACT Relating to reporting of compensation for certain hospital  
2 employees; and amending RCW 43.70.052.

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

4 **Sec. 1.** RCW 43.70.052 and 1995 c 267 s 1 are each amended to read  
5 as follows:

6 (1) To promote the public interest consistent with the purposes of  
7 chapter 492, Laws of 1993 as amended by chapter 267, Laws of 1995, the  
8 department shall continue to require hospitals to submit hospital  
9 financial and patient discharge information, which shall be collected,  
10 maintained, analyzed, and disseminated by the department. The  
11 department shall, if deemed cost-effective and efficient, contract with  
12 a private entity for any or all parts of data collection. Data  
13 elements shall be reported in conformance with a uniform reporting  
14 system established by the department. This includes data elements  
15 identifying each hospital's revenues, expenses, contractual allowances,  
16 charity care, bad debt, other income, total units of inpatient and  
17 outpatient services, and other financial and employee compensation  
18 information reasonably necessary to fulfill the purposes of this  
19 section. Data elements relating to use of hospital services by

1 patients shall be the same as those currently compiled by hospitals  
2 through inpatient discharge abstracts. The department shall encourage  
3 and permit reporting by electronic transmission or hard copy as is  
4 practical and economical to reporters.

5 (2) In identifying financial reporting requirements, the department  
6 may require both annual reports and condensed quarterly reports from  
7 hospitals, so as to achieve both accuracy and timeliness in reporting,  
8 but shall craft such requirements with due regard of the data reporting  
9 burdens of hospitals.

10 (3)(a) Beginning with compensation information for 2012, unless a  
11 hospital is operated on a for-profit basis, the department shall  
12 require a hospital licensed under chapter 70.41 RCW to annually submit  
13 employee compensation information. To satisfy employee compensation  
14 reporting requirements to the department, a hospital shall submit  
15 information as directed in (a)(i) or (ii) of this subsection. A  
16 hospital may determine whether to report under (a)(i) or (ii) of this  
17 subsection for purposes of reporting.

18 (i) Within one hundred thirty-five days following the end of each  
19 hospital's fiscal year, a nonprofit hospital shall file the appropriate  
20 schedule of the federal internal revenue service form 990 that  
21 identifies the employee compensation information with the department.  
22 If the lead administrator responsible for the hospital or the lead  
23 administrator's compensation is not identified on the schedule of form  
24 990 that identifies the employee compensation information, the hospital  
25 shall also submit the compensation information for the lead  
26 administrator as directed by the department's form required in (b) of  
27 this subsection.

28 (ii) Within one hundred thirty-five days following the end of each  
29 hospital's calendar year, a hospital shall submit the names and  
30 compensation of the five highest compensated employees of the hospital  
31 who do not have any direct patient responsibilities. Compensation  
32 information shall be reported on a calendar year basis for the calendar  
33 year immediately preceding the reporting date. If those five highest  
34 compensated employees do not include the lead administrator for the  
35 hospital, compensation information for the lead administrator shall  
36 also be submitted. Compensation information shall include base  
37 compensation, bonus and incentive compensation, other payments that

1 qualify as reportable compensation, retirement and other deferred  
2 compensation, and nontaxable benefits.

3 (b) To satisfy the reporting requirements of this subsection (3),  
4 the department shall create a form and make it available no later than  
5 August 1, 2012. To the greatest extent possible, the form shall follow  
6 the format and reporting requirements of the portion of the internal  
7 revenue service form 990 schedule relating to compensation information.  
8 If the internal revenue service substantially revises its schedule, the  
9 department shall update its form.

10 (4) The health care data collected, maintained, and studied by the  
11 department shall only be available for retrieval in original or  
12 processed form to public and private requestors and shall be available  
13 within a reasonable period of time after the date of request. The cost  
14 of retrieving data for state officials and agencies shall be funded  
15 through the state general appropriation. The cost of retrieving data  
16 for individuals and organizations engaged in research or private use of  
17 data or studies shall be funded by a fee schedule developed by the  
18 department that reflects the direct cost of retrieving the data or  
19 study in the requested form.

20 ~~((+4))~~ (5) The department shall, in consultation and collaboration  
21 with the federally recognized tribes, urban or other Indian health  
22 service organizations, and the federal area Indian health service,  
23 design, develop, and maintain an American Indian-specific health data,  
24 statistics information system. The department rules regarding  
25 confidentiality shall apply to safeguard the information from  
26 inappropriate use or release.

27 ~~((+5))~~ (6) All persons subject to the data collection requirements  
28 of this section shall comply with departmental requirements established  
29 by rule in the acquisition of data.

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