
SUBSTITUTE HOUSE BILL 2229

State of Washington 62nd Legislature 2012 Regular Session

By House Health Care & Wellness (originally sponsored by Representatives Jenkins, 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 sixty days following the end of each hospital's fiscal
19 year, a nonprofit hospital shall file the appropriate portion of the
20 federal internal revenue service form 990 that identifies the employee
21 compensation information with the department. If the lead
22 administrator responsible for the hospital or the lead administrator's
23 compensation is not identified on the portion of form 990 that
24 identifies the employee compensation information, the hospital shall
25 also submit the compensation information for the lead administrator as
26 directed by the department's form required in (b) of this subsection.

27 (ii) Within sixty days following the end of each hospital's fiscal
28 year, a hospital shall submit the names and compensation of the five
29 highest compensated employees of the hospital who do not have any
30 direct patient responsibilities. If those five highest compensated
31 employees do not include the lead administrator for the hospital,
32 compensation information for the lead administrator shall also be
33 submitted. Compensation information shall include base compensation,
34 bonus and incentive compensation, other payments that qualify as
35 reportable compensation, retirement and other deferred compensation,
36 and nontaxable benefits.

37 (b) To satisfy the reporting requirements of this subsection (3),
38 the department shall create a form and make it available no later than

1 August 1, 2012. To the greatest extent possible, the form shall follow
2 the format and reporting requirements of the portion of the internal
3 revenue service form 990 schedule relating to compensation information.
4 If the internal revenue service substantially revises its schedule, the
5 department shall update its form.

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

16 ((+4)) (5) The department shall, in consultation and collaboration
17 with the federally recognized tribes, urban or other Indian health
18 service organizations, and the federal area Indian health service,
19 design, develop, and maintain an American Indian-specific health data,
20 statistics information system. The department rules regarding
21 confidentiality shall apply to safeguard the information from
22 inappropriate use or release.

23 ((+5)) (6) All persons subject to the data collection requirements
24 of this section shall comply with departmental requirements established
25 by rule in the acquisition of data.

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