

# HOUSE BILL REPORT

## 2SHB 1518

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### As Passed Legislature

**Title:** An act relating to providing certain disciplining authorities with additional authority over budget development, spending, and staffing.

**Brief Description:** Providing certain disciplining authorities with additional authority over budget development, spending, and staffing.

**Sponsors:** House Committee on Appropriations Subcommittee on Health & Human Services (originally sponsored by Representatives Cody, Schmick, Ryu and Pollet).

#### **Brief History:**

##### **Committee Activity:**

Health Care & Wellness: 2/7/13, 2/8/13 [DPS];

Appropriations Subcommittee on Health & Human Services: 2/20/13, 2/25/13 [DP2S(w/ o sub HCW)].

##### **Floor Activity:**

Passed House: 3/11/13, 84-13.

Passed Senate: 4/12/13, 46-2.

Passed Legislature.

#### **Brief Summary of Second Substitute Bill**

- Removes the expiration date on pilot projects to provide greater independent authority to the Medical Quality Assurance Commission and the Nursing Care Quality Assurance Commission.
- Establishes a five-year pilot project to provide greater independent authority to the Chiropractic Quality Assurance Commission.
- Directs the Nursing Care Quality Assurance Commission to report on its practices and outcomes to the Governor and Legislature by December 31, 2013.

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### HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 16 members: Representatives Cody, Chair; Jinkins, Vice Chair; Schmick, Ranking

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Minority Member; Hope, Assistant Ranking Minority Member; Angel, Clibborn, Green, Harris, Manweller, Moeller, Morrell, Riccelli, Ross, Short, Tharinger and Van De Wege.

**Staff:** Chris Blake (786-7392).

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## **HOUSE COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON HEALTH & HUMAN SERVICES**

**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 & Wellness. Signed by 8 members: Representatives Morrell, Chair; Harris, Ranking Minority Member; Cody, Green, Jinkins, Kagi, Ormsby and Ross.

**Minority Report:** Do not pass. Signed by 1 member: Representative Schmick.

**Staff:** Mary Mulholland (786-7391).

### **Background:**

The regulation of the 83 health professions in Washington is divided between the Secretary of Health (Secretary), the 11 health professions boards, and the four health professions commissions. Responsibilities for licensing, examination, discipline, and rulemaking vary between the entities as do membership requirements.

Until 2008 the four health professions commissions generally had full authority over licensing, examination, discipline, and rulemaking. Administrative support to the commissions was provided by the Secretary who hired and managed staff, developed budgets, and established fee amounts.

In 2008 the Medical Quality Assurance Commission and the Nursing Care Quality Assurance Commission were selected to participate in a pilot project to expand the responsibilities of the commissions. Although the Chiropractic Quality Assurance Commission and the Dental Quality Assurance Commission were permitted to participate in the pilot project if the members of the commissions approved, neither of those commissions chose to participate. Under the pilot project, responsibilities were shifted to allow the participating commissions to:

- hire their own executive directors;
- propose their own biennial budgets which the Secretary must submit directly to the Office of Financial Management;
- collaborate with the Secretary when he or she adopts credentialing fees;
- be consulted by the Secretary when he or she is adopting uniform rules and guidelines that may negatively impact the commissions' ability to carry out their duties; and
- develop performance measures related to the consistent, timely regulation of health care professionals.

The pilot projects expire on June 30, 2013.

### **Summary of Second Substitute Bill:**

*Continuation of Current Commission Independence Pilot Projects.*

The expiration date is removed for the pilot projects that expand the authority of the Medical Quality Assurance Commission (MQAC) and the Nursing Care Quality Assurance Commission (NCQAC). The MQAC and the NCQAC are given permanent authority to hire their executive directors, develop their budgets, collaborate with the Secretary of Health (Secretary) on credentialing fees, comment on uniform rules and guidelines, and develop performance measures.

By December 31, 2013, the NCQAC must report to the Governor and the Legislature with recommendations related to evidence-based and research-based practices used by the NCQAC and other nursing boards and a comparison of the NCQAC's licensing, education, disciplinary, and financial outcomes with those of other nursing boards.

*New Chiropractic Quality Assurance Commission Independence Pilot Project.*

The Chiropractic Quality Assurance Commission (CQAC) may elect to participate in a pilot project to allow it to hire its own executive director and permit the executive director to carry out the administrative duties of the CQAC and manage the Department of Health (Department) staff that are assigned to the CQAC. Under the pilot project, the CQAC is responsible for establishing its own biennial budget, collaborating with the Secretary on credentialing fees, consulting with the Secretary on uniform rules and guidelines, and developing its own performance measures related to the consistent and timely regulation of health care professionals.

By December 15, 2017, the Secretary and the CQAC must report to the Governor and the Legislature on the results of the pilot project. The report must compare the CQAC's effectiveness to that of other disciplining authorities with respect to licensing and disciplinary activities, efficiency related to timeliness and personnel resources, budgetary activity, and the ability to meet performance measures

*Written Operating Agreements.*

The intent of the written operating agreements that exist between the Department and health professions boards and commissions is to assure that each board or commission acts in a manner that supports the health care delivery system and evidence-based practices across all health professions. The agreements are required to address the use of performance audits to evaluate the consistent use of common business practices and the calculation and reporting of timelines and performance measures. The agreements must be reviewed every biennium instead of annually. The Office of Financial Management is designated as the entity to mediate disputes between a board and the Department.

*Communications with the Legislature.*

The CQAC, the NCQAC, and the MQAC, their members, or their staff may communicate, present information, or testify before legislative committees or educate the Legislature as the commissions see fit.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and takes effect on July 1, 2013.

**Staff Summary of Public Testimony (Health Care & Wellness):**

(In support) While the Medical Quality Assurance Commission (MQAC) and Nursing Care Quality Assurance Commission (NCQAC) have made improvements since the pilot projects began, other boards and commissions have made similar improvements. The current model for the NCQAC and the MQAC is working, however, it should not be expanded to other commissions. The current structure of the Department of Health (Department) as an umbrella organization is effective. Other than the NCQAC and the MQAC, the Department organizes around business functions which allows for depth of coverage, sharing of efficiencies, flexibility, and economies of scale. The expansion of the pilot project to the Chiropractic Quality Assurance Commission (CQAC) would not improve patient safety or commission performance. There should be additional clarification related to operating agreements between the Department and the boards and commissions.

For the MQAC, the pilot project has been a fantastic success. Under the pilot, the MQAC created an integrated, direct-responsibility model and improved performance, enhanced patient safety, and increased transparency. The MQAC now issues 99 percent of licenses within timelines. The MQAC has shortened time to resolution of complaints and has 99 percent compliance with sanctioning rules. The MQAC has improved from forty-fourth to ninth in Public Citizen's rankings of state medical boards. The pilot project made the MQAC efficient, effective, and engaged. This bill will allow the MQAC to continue to improve. There are still budgeting issues related to allocation authority that should be addressed. The commissions should be allowed to have contact with the Legislature.

Under the pilot project, the NCQAC increased the number of completed investigations by 71 percent and decreased the amount of time used for investigations by 37 percent. Licensing decisions now occur on the same day as the receipt of final documents. The NCQAC needs this bill to maintain these efficiencies. This bill will allow the NCQAC to maintain the authority over its staff which is needed to continue to operate efficiently. Continuing the pilot project will allow the NCQAC to further improve performance, maximize resources, and protect the public. The pilot projects have resulted in a shorter length of time to issue licenses, the ability to appropriately use fees, and the ability to hire staff to conduct disciplinary activities.

The CQAC should have the opportunity to act with independence like the other commissions. The CQAC has an interest in managing its own money and handling complaints quickly. Currently, there are licensing delays for chiropractors of up to six weeks.

(Opposed) None.

**Staff Summary of Public Testimony (Appropriations Subcommittee on Health & Human Services):**

(In support) The NCQAC supports removing the expiration date for their pilot project and solidifying the current management structure. The NCQAC needs ongoing independent authority to maintain efficiencies and improvements on multiple performance measures. The

NCQAC would like to further analyze the differences with nursing commissions in other states, and report to the Legislature on how the NCQAC can further improve performance, maximize resources, and protect the public. The report would not have a fiscal impact, but the NCQAC would like legislative direction to ensure that the report is accomplished.

The Chiropractic Quality Assurance Commission (CQAC) would like to participate in a pilot project and can cover its participation through licensing fees. The CQAC would like the pilot project to be consistent with the other pilot projects for the purpose of comparison, but supports the bill regardless.

(In support with concerns) The Department of Health (Department) and the Secretary of Health support making the pilot projects permanent. All professions have improved on their performance measures in the past four years, including those that did not participate in the pilot projects. The umbrella structure allows the Department to retain teams with subject matter expertise, achieve operational efficiencies, and share best practices across professions. There will be some increased costs associated with the pilot projects. Those costs are borne by the professions through fees. The Department assumes that the CQAC will elect to begin a pilot program and engage in full exercise of its authority.

(With concerns) Performance measures show that the Medical Quality Assurance Commission (MQAC) pilot project has been successful. Independent authority has allowed the MQAC to improve on performance measures such as decreasing license processing times. The MQAC has some concerns with the language in the substitute bill regarding the joint operating agreement. The MQAC does not know the implications of having the joint operating agreement mediated by a representative from the Office of Financial Management.

(Opposed) None.

**Persons Testifying** (Health Care & Wellness): Mary Selecky, Department of Health; Dr. Mimi Pattison, Dr. Sam Salinger, and Maryella Jenson, Medical Quality Assurance Commission; Suellyn Masek, Nursing Care Quality Assurance Commission; Carl Nelson, Washington State Medical Association; Sofia Aragon, Washington State Nurses Association; and Lori Grassi, Washington State Chiropractic Association.

**Persons Testifying** (Appropriations Subcommittee on Health & Human Services): (In support) Representative Cody, prime sponsor; Suellyn Masek, Nursing Care Quality Assurance Commission; and Laurie Gnassi, Washington State Chiropractic Association.

(In support with concerns) Karen Jensen, Department of Health.

(With concerns) Carl Nelson, Washington State Medical Association.

**Persons Signed In To Testify But Not Testifying** (Health Care & Wellness): None.

**Persons Signed In To Testify But Not Testifying** (Appropriations Subcommittee on Health & Human Services): None.