

# HOUSE BILL REPORT

## HB 1915

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### As Reported by House Committee On: Local Government

**Title:** An act relating to hospital inspections by limiting the uses of the fire protection contractor license fund and directing the department of health to engage in rule making to appropriately fund the cost of hospital inspections from hospital license fees.

**Brief Description:** Addressing hospital inspections by limiting the uses of the fire protection contractor license fund and directing the department of health to engage in rule making to appropriately fund the cost of hospital inspections from hospital license fees.

**Sponsors:** Representatives Griffey and Appleton.

#### **Brief History:**

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

Local Government: 2/7/17, 2/9/17 [DPS].

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

- Prohibits the use of the Fire Protection Contractor License Fund for hospital fire protection inspections conducted by the Washington State Patrol, through the Director of Fire Protection, as of July 1, 2018, or when the Department of Health adopts rules pertaining to fees, whichever is earlier.
- Requires the Department of Health to include in the fees imposed for applications for a hospital license or license renewal the costs of inspections for fire protection purposes, not to exceed the cost to perform the hospital fire inspection and costs associated with rule adoption related to setting fees for this purpose.

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### HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 5 members: Representatives Appleton, Chair; McBride, Vice Chair; Griffey, Ranking Minority Member; Gregerson and Peterson.

**Minority Report:** Do not pass. Signed by 2 members: Representatives Pike, Assistant Ranking Minority Member; Taylor.

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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.*

**Staff:** Desiree Omli (786-7383).

**Background:**

Applications for Hospital Licenses and Renewals.

In order to establish, maintain, or conduct a hospital, a person or governmental unit must apply for a license with the Department of Health (Department). Upon receipt of an application for a license, the Department must submit a request for an inspection conducted by the Chief of the Washington State Patrol, through the Director of Fire Protection (Director), which coincides with the Department's own inspection. The Department establishes the fee for each application for a license.

Hospital Fire Protection Inspections.

The Director sets and enforces standards for fire protection as they relate to all licensed hospitals, and is responsible for inspecting the hospital premises for compliance with the required safety standards and fire regulations. When a premises does not comply with the required safety standards and fire regulations, the applicant or licensee is required to submit corrections to comply with the standards and regulations. The Director may reinspect a premises if extensive and serious corrections are required. When a premises meets the required standards and regulations, the Director must submit a written report approving the hospital with respect to fire protection before the hospital can be issued a full license. The Director must inspect licensed hospitals on average at least once every 18 months. Inspections conducted by the Joint Commission on the Accreditation of Healthcare Organizations are deemed equivalent to an inspection by the Director.

The Director designates a lead deputy state fire marshal for each region to conduct the fire protection inspections. Prior to conducting hospital fire protection inspections, the deputy state fire marshals must receive an orientation regarding the unique environment of hospitals that includes subjects regarding the clinical environment of hospitals, the operating room environment, and fire protection practices. In addition, deputy state fire marshals must also complete a licensing inspection of at least one urban and one rural hospital.

Fire Protection Contractor License Fund.

The Director administers licensing and certification requirements, and sets license and certificate fees, for licensed fire sprinkler contractors and individuals who hold a fire sprinkler certificate of competency. These fees and any associated late charges are deposited into the Fire Protection Contractor License Fund (Fund). Expenditures from the Fund may only be used for:

- costs associated with meeting standards for fire protection and its enforcement, with respect to hospital fire protection inspections;
- providing assistance in identifying fire sprinkler system components subject to recalls or voluntary replacement programs, including providing training and assistance to local fire authorities, the fire sprinkler industry, and the public; and
- developing and publishing educational materials related to the effectiveness of residential fire sprinklers.

**Summary of Substitute Bill:**

The Fund may no longer be used to pay for costs associated with hospital fire protection inspections. Rather, the Department must include in the fees imposed for applications for a hospital license or license renewal to include the costs of inspections for fire protection purposes. The Department may not include in the hospital license fees fire protection inspection costs in excess of the direct cost to perform fire protection inspections and amounts necessary to recover costs associated with rule adoption pertaining to setting fees for fire protection purposes. In addition, the Fund may not be used for fire protection inspections as of July 1, 2018, or when the Department adopts rules pertaining to setting fees, whichever is earlier. If the Department adopts rules prior to July 1, 2018, the Department must notify the Code Reviser's Office and others as it deems appropriate.

**Substitute Bill Compared to Original Bill:**

The Department may not include in the hospital license fees fire protection inspection costs in excess of the direct cost to perform fire protection inspections and amounts necessary to recover costs associated with rule adoption pertaining to setting fees for fire protection purposes. In addition, the fire protection contractor license fund may not be used for fire protection inspections as of July 1, 2018, or when the Department adopts rules pertaining to setting fees, whichever is earlier. If the Department adopts rules prior to July 1, 2018, the Department must notify the Code Reviser's Office and others, as it deems appropriate.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect on July 1, 2018, or when the Department of Health has adopted rules setting fees under this act.

**Staff Summary of Public Testimony:**

(In support) The committee has previously heard a version of this bill. This is a major rework of the original bill based upon stakeholder discussions. The bill has been redrafted in order to direct the Department to do appropriate rulemaking to site hospital inspection fees. The hospitals have agreed that they should pay for actual costs of doing inspections; however, they do not want to pay for full-time positions and differing standards that various fire jurisdictions may require.

There is agreement to delay implementation of the first section of the bill to allow sufficient time for rulemaking and to ensure the Fund does not deplete to a zero balance. This bill is a work in process but is very close to a solution.

(Opposed) None.

(Other) There are concerns with the current version of the bill. The concern is that it may be premature to eliminate funding without an adequate solution in place. The primary mission is ensuring patient safety needs are met. The life safety inspections that are funded by this account are necessary to issue a license to acute care hospitals. However, there may be other hospital types affected by this bill, which will require additional research and analysis. Meanwhile these inspections need to continue to verify all hospitals meet critical fire and safety requirements. More time is needed to accurately capture the full scope of work that is funded by this Fund and the true cost of conducting those inspections.

**Persons Testifying:** (In support) Representative Griffey, prime sponsor; and Dylan Doty, Fire Sprinkler Advisory Board of Puget Sound and Washington Fire Chiefs.

(Other) Timothy Farrell, Department of Health.

**Persons Signed In To Testify But Not Testifying:** None.