

# FINAL BILL REPORT

## 2SHB 1148

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**C 61 L 21**  
Synopsis as Enacted

**Brief Description:** Protecting patients in acute care hospitals.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Cody, Macri, Stonier, Lekanoff and Pollet).

**House Committee on Health Care & Wellness**  
**House Committee on Appropriations**  
**Senate Committee on Health & Long Term Care**

**Background:**

Hospitals are facilities licensed by the Department of Health (Department) to provide accommodations and services over a continuous period of 24 hours or more for observation, diagnosis, or care. Prior to operation, a hospital must obtain a certificate of need to authorize its opening and to determine its bed capacity. To obtain and maintain a license, a hospital must meet Department standards related to patient care, medical staff, infection control, and mandatory reporting related to patient care and financial information. Specific regulatory standards apply to the particular care units and services offered at the hospital.

The Department conducts an on-site survey of each hospital at least every 18 months to assess its compliance with health and safety standards. In addition, the Department conducts complaint investigations for each complaint against a hospital concerning patient well-being. The Department posts information on its website regarding the most frequent problems identified during hospital surveys and complaint investigations. In the event that an investigation or survey identifies noncompliance with hospital standards, the Department may require the hospital to submit a plan of correction to address each of the deficiencies. In addition, the Department is authorized to deny, suspend, revoke, or modify a license or provisional license.

**Summary:**

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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 part of the legislation nor does it constitute a statement of legislative intent.*

In addition to denying, suspending, or revoking a hospital license, the Department of Health (Department) may take one or more of several specified actions in response to a hospital's noncompliance with licensing requirements. The Department may either impose conditions or assess a civil fine on a hospital when the hospital: (1) has previously been subject to an enforcement action for the same or similar type of violation; (2) has been given a statement of deficiency for the same or similar type of violation; or (3) has failed to correct noncompliance with a licensing standard by an established date. Conditions may include correction within a specified time, training, or the hiring of a consultant. Civil fines may be imposed of up to \$10,000 per violation, for a total of no more than \$1 million. The Department must adopt specific fine amounts in rule that consider the severity of the noncompliance, the level of the fine amount needed to be a deterrent to future noncompliance, the number of licensed beds at the hospital, and the operation size of the hospital. Consideration of the number of licensed beds at a hospital includes the following four categories: hospitals with up to 25 beds, hospitals with at least 26 beds and no more than 99 beds, hospitals with at least 100 beds and no more than 299 beds, and hospitals with 300 beds or more. Civil fines collected by the Department may only be used to offset the cost of hospital licensing activities.

The Department may suspend one or more categories of services or care or recovery units within a hospital by imposing a limited stop service that prohibits the admission of any new patients to the units. In addition, the Department may suspend new admissions to a hospital by imposing a stop placement on the entire facility. A limited stop service or stop placement may only be imposed if the Department finds practices or conditions that constitute an immediate jeopardy. The term "immediate jeopardy" means a situation in which a hospital's noncompliance has placed the health and safety of patients at risk for death or serious injury, harm, or impairment. Before imposing a limited stop service or stop placement, the Department must give the hospital notice of the practices or conditions that constitute an immediate jeopardy and the Secretary of Health must review and approve the notice. A hospital is allowed 24 hours to develop and implement a plan to correct the violation before the Department issues the limited stop service or stop placement. If the Department does not verify within 24 hours that the violation has been corrected, then the limited stop service or stop placement may be issued. If the Department issues a limited stop service or stop placement, it must conduct a follow-up inspection within five business days or a longer period if the hospital requests more time. The stop placement order or limited stop service order must be terminated if the violations have been corrected or addressed through an intermediate action and the hospital is able to maintain the corrections.

Before imposing immediate conditions or an immediate license suspension, the Department must find that noncompliance will result in immediate jeopardy. When the Department takes such immediate actions, the hospital is entitled to a show cause hearing within 14 days of making a request. At a show cause hearing the Department has the burden of demonstrating that an immediate jeopardy exists. Standards for the consideration of evidence are established. If the show cause hearing sustains the Department's immediate

action, the hospital may request an expedited full hearing to occur within 90 days.

The Department must adopt a fee methodology in rule to fund expenditures to implement enforcement activities. The fee methodology must consider the number of licensed beds and the operational size of the hospital.

**Votes on Final Passage:**

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| House  | 60 | 37 |
| Senate | 32 | 16 |

**Effective:** July 25, 2021