
HOUSE BILL 1795

State of Washington

52nd Legislature

1991 Regular Session

By Representatives Prentice, Moyer, Rayburn, Franklin, Jones, Grant, Sheldon, Braddock, Ballard, Morton, Mielke, Bray, Haugen, Chandler, Prince, H. Myers, Hargrove, Edmondson, Fuhrman, Ludwig, Sprenkle, Winsley, Lisk, Paris, Basich, Nealey, Orr, Inslee, Rasmussen, Phillips and Spanel.

Read first time February 11, 1991. Referred to Committee on Health Care.

1 AN ACT Relating to rural hospital services; and creating new
2 sections.

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

4 NEW SECTION. **Sec. 1.** In most rural areas in Washington state,
5 hospitals provide access to essential medical services for local
6 residents as well as urban and out-of-state visitors. The services
7 include emergency services, acute care services normally performed in
8 a hospital setting, and primary care services normally performed in
9 clinics or physicians' offices in urban areas. The legislature finds
10 and declares that a central policy objective for this state is to
11 maintain access in rural areas to these essential hospital and primary
12 care services.

13 The legislature further finds and declares that many hospitals
14 providing essential health care services in rural areas are in
15 extremely poor financial condition and in danger of closing if

1 immediate action is not taken to improve payment levels of state
2 programs.

3 Specifically, the legislature finds that: Primary care in rural
4 areas is often unavailable to medical assistance patients except in
5 hospital emergency rooms and outpatient clinics because of the shortage
6 of physicians and the reluctance of some practitioners to accept
7 patients from this program; current medical assistance payments do not
8 pay the full costs of emergency room and outpatient care, which
9 penalizes hospitals for treating all persons without regard to ability
10 to pay; and a large part of the financial crisis for rural hospitals is
11 due to the combination of a high proportion of state and federally
12 assisted patients and the failure of these programs to pay the full
13 costs of treatment.

14 NEW SECTION. **Sec. 2.** The department of social and health
15 services' medical assistance program shall develop a plan that would
16 provide rural hospitals reasonable payments for the delivery of
17 essential access services to medical assistance clients in rural areas
18 to be submitted to the legislature by December 31, 1991. Essential
19 health care services must be designated in the plan and, at a minimum,
20 shall include outpatient and inpatient services for pregnant women,
21 their infants, and children and youth; emergency room services
22 including ancillary diagnostic procedures and emergency room physician
23 coverage; and inpatient treatments, and diagnostic and therapeutic
24 procedures that are most appropriately provided at local facilities
25 within reasonable travel times. The department shall work with the
26 department of health to identify the scope of the definition of rural
27 hospitals for the purposes of this act.

1 NEW SECTION. **Sec. 3.** The state health care authority shall
2 evaluate the extent to which other health care purchasing practices of
3 this state conflict with the state's policy goal of preserving access
4 to essential health care services in rural areas. The authority shall
5 recommend to other agencies ways to resolve any conflicts and shall
6 provide a status report to the legislature by December 31, 1991.