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SENATE BILL 6698

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State of Washington                      61st Legislature                      2010 Regular Session

By Senators Keiser, Marr, Murray, Fairley, and Kohl-Welles

Read first time 01/21/10. Referred to Committee on Health & Long-Term Care.

1            AN ACT Relating to the acquisition of nonprofit hospitals; and  
2 amending RCW 70.45.100 and 70.45.080.

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

4            **Sec. 1.** RCW 70.45.100 and 1997 c 332 s 10 are each amended to read  
5 as follows:

6            The department shall require (~~periodic~~) annual reports from the  
7 nonprofit corporation or its successor nonprofit corporation or  
8 foundation and from the acquiring person or other parties to the  
9 acquisition to ensure compliance with commitments made. The department  
10 may subpoena information and documents and may conduct on-site  
11 compliance audits at the acquiring person's expense. The reports must  
12 continue for ten consecutive years after the completion of the sale.

13            If the department receives information indicating that the  
14 acquiring person is not fulfilling commitments to the affected  
15 community under RCW 70.45.080, the department shall hold a hearing upon  
16 ten days' notice to the affected parties. If after the hearing the  
17 department determines that the (~~information is true, it~~) acquiring  
18 person is not fulfilling commitments to the affected community, the  
19 department is authorized to take one or more of the following actions

1 as conditions of the hospital license: (1) Impose reasonable  
2 conditions on a license such as require corrective action within a  
3 specific period of time; (2) impose civil penalties of not more than  
4 five hundred dollars per day per violation; or (3) suspend, revoke, or  
5 refuse to renew a license. If the terms of corrective action dictated  
6 by the department are not adhered to by the acquiring person according  
7 to required timelines and conditions, the department may immediately  
8 revoke or suspend the hospital license issued to the acquiring person  
9 ((pursuant to the procedure established under RCW 70.41.130)), refer  
10 the matter to the attorney general for appropriate action, or both.  
11 The attorney general may seek a court order compelling the acquiring  
12 person to fulfill its commitments under RCW 70.45.080.

13 **Sec. 2.** RCW 70.45.080 and 1997 c 332 s 8 are each amended to read  
14 as follows:

15 The department shall only approve an application if the acquisition  
16 in question will not detrimentally affect the continued existence of  
17 accessible, affordable health care that is responsive to the needs of  
18 the community in which the hospital to be acquired is located. ~~((To~~  
19 ~~this end,))~~ The department shall employ, at the expense of the  
20 acquiring person, a qualified independent expert to conduct an  
21 independent comprehensive health impact study in order to determine  
22 that all of the conditions described in this section will be met. This  
23 expense must be in addition to fees charged under RCW 70.45.030. The  
24 department shall not approve an application unless, at a minimum, it  
25 determines that:

26 (1) Sufficient safeguards are included to assure the affected  
27 community continued access to affordable care, and that alternative  
28 sources of care are available in the community should the acquisition  
29 result in a reduction or elimination of particular health services;

30 (2) The acquisition will not result in the revocation of hospital  
31 privileges;

32 (3) Sufficient safeguards are included to maintain appropriate  
33 capacity for health science research and health care provider  
34 education;

35 (4) The acquiring person and parties to the acquisition are  
36 committed to providing health care to the disadvantaged, the uninsured,  
37 and the underinsured and to providing benefits to promote improved

1 health in the affected community. Activities and funding provided  
2 under RCW 70.45.070(8) may be considered in evaluating compliance with  
3 this commitment; and

4 (5) Sufficient safeguards are included to avoid conflict of  
5 interest in patient referral.

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