

# SENATE BILL REPORT

## SB 5829

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As Passed Senate, February 1, 2002

**Title:** An act relating to cooperative activities by local governments.

**Brief Description:** Relating to cooperative activities by local governments.

**Sponsors:** Senators Prentice, Patterson and Swecker.

**Brief History:**

**Committee Activity:** Health & Long-Term Care: 2/22/01, 2/27/01 [DP].

Passed Senate: 3/13/01, 48-0; 2/1/02, 47-0.

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### SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

**Majority Report:** Do pass.

Signed by Senators Thibaudeau, Chair; Franklin, Vice Chair; Costa, Deccio, Fraser, Parlette and Winsley.

**Staff:** Chelsea Buchanan (786-7446)

**Background:** In 1992, the Legislature passed HB 2495, allowing rural public hospital districts to enter into interlocal agreements and contracts with other rural public hospital districts. The concerns at the time were that: (1) competition among rural public hospital districts was not practical or cost-effective; and that (2) encouraging cooperative agreements in statute would address concerns about possible antitrust challenges. A rural public hospital district was defined as a district that does not contain a city of over 30,000 people.

The cooperative agreements were specifically authorized to include the following: combined purchases and allocations of medical equipment; allocation of health care services among various districts' facilities; joint agreements and contracts for health care service delivery and payment; and other cooperative arrangements consistent with the intent of the law in maintaining the viability of health care.

**Summary of Bill:** All public hospital districts, rather than rural districts only, are allowed to form such interlocal agreements and contracts.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** Urban public hospital districts are facing the same pressures as rural public hospital districts did in 1992. This bill encourages cooperative arrangements, which are the most efficient way to deliver services.

**Testimony Against:** None.

**Testified:** Bradley Berg, Foster Pepper & Shefelman (pro); Lisa Thatcher, Association of Washington Public Hospital Districts (pro).