

SSB 5318 - H COMM AMD  
By Committee on Health Care

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that:

4 (a) Thousands of patients are injured each year in the United  
5 States as a result of medical errors, and that a comprehensive approach  
6 is needed to effectively reduce the incidence of medical errors in our  
7 health care system. Implementation of proven patient safety strategies  
8 can reduce medical errors, and thereby potentially reduce the need for  
9 disciplinary actions against licensed health care professionals and  
10 facilities, and the frequency and severity of medical malpractice  
11 claims; and

12 (b) Health care providers, health care facilities, and health  
13 carriers can and should be supported in their efforts to improve  
14 patient safety and reduce medical errors by encouraging health care  
15 facilities and providers to communicate openly with patients regarding  
16 medical errors that have occurred and steps that can be taken to  
17 prevent errors from occurring in the future, encouraging health care  
18 facilities and providers to work cooperatively in their patient safety  
19 efforts, and increasing funding available to implement proven patient  
20 safety strategies.

21 (2) Through the adoption of this act, the legislature intends to  
22 positively influence the safety and quality of care provided in  
23 Washington state's health care system.

24 **Sec. 2.** RCW 43.70.110 and 2005 c 268 s 2 are each amended to read  
25 as follows:

26 (1) The secretary shall charge fees to the licensee for obtaining  
27 a license. After June 30, 1995, municipal corporations providing  
28 emergency medical care and transportation services pursuant to chapter  
29 18.73 RCW shall be exempt from such fees, provided that such other

1 emergency services shall only be charged for their pro rata share of  
2 the cost of licensure and inspection, if appropriate. The secretary  
3 may waive the fees when, in the discretion of the secretary, the fees  
4 would not be in the best interest of public health and safety, or when  
5 the fees would be to the financial disadvantage of the state.

6 (2) Except as provided in RCW 18.79.202(~~(7)~~) until June 30, 2013,  
7 and except as provided in section 4 of this act, fees charged shall be  
8 based on, but shall not exceed, the cost to the department for the  
9 licensure of the activity or class of activities and may include costs  
10 of necessary inspection.

11 (3) Department of health advisory committees may review fees  
12 established by the secretary for licenses and comment upon the  
13 appropriateness of the level of such fees.

14 **Sec. 3.** RCW 43.70.250 and 2005 c 268 s 3 are each amended to read  
15 as follows:

16 It shall be the policy of the state of Washington that the cost of  
17 each professional, occupational, or business licensing program be fully  
18 borne by the members of that profession, occupation, or business. The  
19 secretary shall from time to time establish the amount of all  
20 application fees, license fees, registration fees, examination fees,  
21 permit fees, renewal fees, and any other fee associated with licensing  
22 or regulation of professions, occupations, or businesses administered  
23 by the department. In fixing said fees, the secretary shall set the  
24 fees for each program at a sufficient level to defray the costs of  
25 administering that program and the patient safety fee established in  
26 section 4 of this act, except as provided in RCW 18.79.202 until June  
27 30, 2013. All such fees shall be fixed by rule adopted by the  
28 secretary in accordance with the provisions of the administrative  
29 procedure act, chapter 34.05 RCW.

30 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.70 RCW  
31 to read as follows:

32 (1) The secretary shall increase the licensing fee established  
33 under RCW 43.70.110 by two dollars for the health care professionals  
34 designated in subsection (2) of this section and by two dollars per  
35 licensed bed for the health care facilities designated in subsection  
36 (2) of this section. Proceeds of the patient safety fee must be

1 deposited into the patient safety account in section 8 of this act and  
2 dedicated to patient safety and medical error reduction efforts that  
3 have been proven to improve, or have a substantial likelihood of  
4 improving the quality of care provided by health care professionals and  
5 facilities.

6 (2) The health care professionals and facilities subject to the  
7 patient safety fee are:

8 (a) The following health care professionals licensed under Title 18  
9 RCW:

10 (i) Registered nurses and licensed practical nurses licensed under  
11 chapter 18.79 RCW;

12 (ii) Chiropractors licensed under chapter 18.25 RCW;

13 (iii) Dentists licensed under chapter 18.32 RCW;

14 (iv) Midwives licensed under chapter 18.50 RCW;

15 (v) Naturopaths licensed under chapter 18.36A RCW;

16 (vi) Optometrists licensed under chapter 18.53 RCW;

17 (vii) Osteopathic physicians licensed under chapter 18.57 RCW;

18 (viii) Osteopathic physicians' assistants licensed under chapter  
19 18.57A RCW;

20 (ix) Pharmacists and pharmacies licensed under chapter 18.64 RCW;

21 (x) Physicians licensed under chapter 18.71 RCW;

22 (xi) Physician assistants licensed under chapter 18.71A RCW;

23 (xii) Podiatrists licensed under chapter 18.22 RCW; and

24 (xiii) Psychologists licensed under chapter 18.83 RCW; and

25 (b) Hospitals licensed under chapter 70.41 RCW and psychiatric  
26 hospitals licensed under chapter 71.12 RCW.

27 NEW SECTION. **Sec. 5.** A new section is added to chapter 7.70 RCW  
28 to read as follows:

29 (1) One percent of all attorneys' fees received for representation  
30 of claimants or defendants in actions brought under this chapter that  
31 result in payment to a claimant shall be paid as a patient safety set  
32 aside. Proceeds of the patient safety set aside will be distributed by  
33 the department of health in the form of grants, loans, or other  
34 appropriate arrangements to support strategies that have been proven to  
35 reduce medical errors and enhance patient safety, or have a substantial  
36 likelihood of reducing medical errors and enhancing patient safety, as  
37 provided in section 4 of this act.

1 (2) A patient safety set aside shall be transmitted to the  
2 secretary of the department of health by the attorney who receives fees  
3 under subsection (1) of this section for deposit into the patient  
4 safety account established in section 8 of this act.

5 (3) The Washington state supreme court shall by rule adopt  
6 procedures to implement this section.

7 NEW SECTION. **Sec. 6.** A new section is added to chapter 43.70 RCW  
8 to read as follows:

9 (1)(a) Patient safety fee and set aside proceeds shall be  
10 administered by the department, after seeking input from health care  
11 providers engaged in direct patient care activities, health care  
12 facilities, health care provider organizations, and other interested  
13 parties. In developing criteria for the award of grants, loans, or  
14 other appropriate arrangements under this section, the department shall  
15 rely primarily upon evidence-based practices to improve patient safety  
16 that have been identified and recommended by governmental and private  
17 organizations, including, but not limited to:

- 18 (i) The federal agency for health care quality and research;
- 19 (ii) The institute of medicine of the national academy of sciences;
- 20 (iii) The joint commission on accreditation of health care  
21 organizations; and
- 22 (iv) The national quality forum.

23 (b) The department shall award grants, loans, or other appropriate  
24 arrangements for at least two strategies that are designed to meet the  
25 goals and recommendations of the federal institute of medicine's  
26 report, "Keeping Patients Safe: Transforming the Work Environment of  
27 Nurses."

28 (2) Projects that have been proven to reduce medical errors and  
29 enhance patient safety shall receive priority for funding over those  
30 that are not proven, but have a substantial likelihood of reducing  
31 medical errors and enhancing patient safety. All project proposals  
32 must include specific performance and outcome measures by which to  
33 evaluate the effectiveness of the project. Project proposals that do  
34 not propose to use a proven patient safety strategy must include, in  
35 addition to performance and outcome measures, a detailed description of  
36 the anticipated outcomes of the project based upon any available  
37 related research and the steps for achieving those outcomes.

1 (3) The department may use a portion of the patient safety fee  
2 proceeds for the costs of administering the program.

3 NEW SECTION. **Sec. 7.** A new section is added to chapter 43.70 RCW  
4 to read as follows:

5 The secretary may solicit and accept grants or other funds from  
6 public and private sources to support patient safety and medical error  
7 reduction efforts under this act. Any grants or funds received may be  
8 used to enhance these activities as long as program standards  
9 established by the secretary are followed.

10 NEW SECTION. **Sec. 8.** A new section is added to chapter 43.70 RCW  
11 to read as follows:

12 The patient safety account is created in the state treasury. All  
13 receipts from the fees and set asides created in sections 4 and 5 of  
14 this act must be deposited into the account. Expenditures from the  
15 account may be used only for the purposes of this act. Moneys in the  
16 account may be spent only after appropriation.

17 NEW SECTION. **Sec. 9.** A new section is added to chapter 43.70 RCW  
18 to read as follows:

19 By December 1, 2009, the department shall report the following  
20 information to the governor and the health policy and fiscal committees  
21 of the legislature:

22 (1) The amount of patient safety fees and set asides deposited to  
23 date in the patient safety account;

24 (2) The criteria for distribution of grants, loans, or other  
25 appropriate arrangements under this act; and

26 (3) A description of the medical error reduction and patient safety  
27 grants and loans distributed to date, including the stated performance  
28 measures, activities, timelines, and detailed information regarding  
29 outcomes for each project.

30 NEW SECTION. **Sec. 10.** If any provision of this act or its  
31 application to any person or circumstance is held invalid, the  
32 remainder of the act or the application of the provision to other  
33 persons or circumstances is not affected.

1        NEW SECTION.   **Sec. 11.**   Section 4 of this act takes effect January  
2   1, 2007."

3        Correct the title.

EFFECT:   Includes defense attorneys' fees in the one percent set  
aside.   Removes the alternate provision for attorneys to notify  
prevailing plaintiffs of the existence of the Patient Safety Account  
and the ability to donate to it.

     Delays the completion of the Department of Health report by one  
year.

     Removes all provisions limiting the admissibility of evidence in  
civil proceedings relating to statements of apology or remedial  
actions.

     Removes the emergency clause and establishes January 1, 2007, as  
the effective date for the collection of the fee from health care  
providers and hospitals.

     Makes technical changes.

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