
SUBSTITUTE HOUSE BILL 2669

State of Washington

59th Legislature

2006 Regular Session

By House Committee on Health Care (originally sponsored by Representatives Cody, Green, Morrell, Clibborn, Campbell, Moeller, Priest and Lantz)

READ FIRST TIME 02/03/06.

1 AN ACT Relating to licensing specialty hospitals; adding a new
2 section to chapter 70.41 RCW; and creating a new section.

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

4 NEW SECTION. **Sec. 1.** The legislature finds that specialty
5 hospitals jeopardize the financial balance of community hospitals by
6 selectively providing care to less ill patients, treating fewer
7 medicare, medicaid, and uninsured patients, providing primarily care
8 that is profitable to investors, and reducing community hospital
9 staffing. To assure that private and public hospitals in Washington
10 remain financially viable institutions able to provide general acute
11 care in their communities and maintain the capacity to respond to
12 local, state, and national emergencies, the legislature has concluded
13 that specialty hospitals must meet certain conditions in order to be
14 licensed. These conditions will ensure that specialty hospitals and
15 community hospitals compete on a level playing field and, therefore,
16 will minimize the adverse impacts of specialty hospitals on community
17 general hospitals while assuring quality patient care.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 70.41 RCW
2 to read as follows:

3 (1) The definitions in this subsection apply throughout this
4 section unless the context clearly requires otherwise.

5 (a) "Emergency services" means health care services medically
6 necessary to evaluate and treat a medical condition that manifests
7 itself by the acute onset of a symptom or symptoms, including severe
8 pain, that would lead a prudent layperson acting reasonably to believe
9 that a health condition exists that requires immediate medical
10 attention, and that the absence of immediate medical attention could
11 reasonably be expected to result in serious impairment to bodily
12 functions or serious dysfunction of an organ or part of the body, or
13 would place the person's health, or in the case of a pregnant woman,
14 the health of the woman or her unborn child, in serious jeopardy.

15 (b) "General hospital" means a hospital that provides general acute
16 care services, including emergency services.

17 (c) "Specialty hospital" means a subclass of hospital that is
18 primarily or exclusively engaged in the care and treatment of one of
19 the following categories: (i) Patients with a cardiac condition; (ii)
20 patients with an orthopedic condition; (iii) patients receiving a
21 surgical procedure; and (iv) any other specialized category of services
22 that the secretary of health and human services designates as a
23 specialty hospital.

24 (d) "Transfer agreement" means a written agreement providing an
25 effective process for the transfer of a patient requiring emergency
26 services to a general hospital providing emergency services and for
27 continuity of care for that patient.

28 (e) "Health service area" has the same meaning as in RCW 70.38.025.

29 (2) To be licensed under this chapter, a specialty hospital shall:

30 (a) Be significantly engaged in providing inpatient care;

31 (b) Comply with all standards and rules adopted by the department
32 for hospitals;

33 (c) Provide appropriate discharge planning;

34 (d) Participate in the medicare and medicaid programs and provide
35 at least the same percentage of services to medicare and medicaid
36 beneficiaries, as a percent of gross revenues, as the lowest percentage
37 of services provided to medicare and medicaid beneficiaries by a
38 general hospital in the same health service area. The lowest

1 percentage of services provided to medicare and medicaid beneficiaries
2 shall be determined by the department in consultation with the general
3 hospitals in the health service area;

4 (e) Provide at least the same percentage of charity care, as a
5 percent of gross revenues, as the lowest percentage of charity care
6 provided by a general hospital in the same health service area. The
7 lowest percentage of charity care shall be determined by the department
8 in consultation with the general hospitals in the health service area;

9 (f) Require any physician owner to: (i) In accordance with chapter
10 19.68 RCW, disclose a financial interest in the specialty hospital and
11 provide a list of alternative hospitals before referring a patient to
12 the specialty hospital; and (ii) if the specialty hospital does not
13 have an intensive care unit, notify the patient that if intensive care
14 services are required, the patient will be transferred to another
15 hospital;

16 (g) Provide emergency services twenty-four hours per day, seven
17 days per week with appropriate staff in a designated area of the
18 hospital and comply with requirements for emergency facilities that are
19 established by the department;

20 (h) Require all physicians with privileges at the specialty
21 hospital to maintain privileges at a general hospital in the same
22 health service area and to provide on-call services to the general
23 hospital at least at the same level as other specialists in the health
24 service area, as determined by the department and the affected general
25 hospital; and

26 (i) Establish procedures to stabilize a patient with an emergency
27 medical condition until the patient is transported or transferred to
28 another hospital if emergency services cannot be provided at the
29 specialty hospital to meet the needs of the patient in an emergency,
30 and maintain a transfer agreement with a general hospital in the same
31 health service area that establishes a process for patient transfers in
32 a situation in which the specialty hospital cannot provide continuing
33 care for a patient because of the specialty hospital's scope of
34 services.

35 (3) This section does not apply to:

36 (a) A specialty hospital that provides only psychiatric, pediatric,
37 long-term acute care, cancer, or rehabilitative services; or

1 (b) A hospital that was licensed under this chapter before January
2 1, 2006.

--- END ---