## (SUBSTITUTED FOR - SEE 2ND SUB)

Declares that implementation of proven patient safety strategies can reduce medical errors, and thereby potentially reduce the need for disciplinary actions against licensed health care professionals and facilities, and the frequency and severity of medical malpractice claims.

Declares that health care providers, health care facilities, and health carriers can and should be supported in their efforts to improve patient safety and reduce medical errors by encouraging health care facilities and providers to communicate openly with patients regarding medical errors that have occurred and steps that can be taken to prevent errors from occurring in the future, encouraging health care facilities and providers to work cooperatively in their patient safety efforts, and increasing funding available to implement proven patient safety strategies.

Declares an intent to positively influence the safety and quality of care provided in Washington state's health care system.

Requires the secretary to increase the licensing fee established under RCW 43.70.110 by two dollars for the health care professionals designated in this act and by two dollars per licensed bed for the health care facilities designated in this act.

Requires proceeds of the patient safety fee to be deposited into the patient safety account in this act and dedicated to patient safety and medical error reduction efforts that have been proven to improve, or have a substantial likelihood of improving the quality of care provided by health care professionals and facilities.

Provides that one percent of any attorney contingency fee as contracted with a prevailing plaintiff in any action for damages based upon injuries resulting from health care shall be deducted from the contingency fee as a patient safety set aside.

Requires a patient safety set aside to be transmitted to the secretary of the department of health by the person or entity paying the claim, settlement, or verdict for deposit into the patient safety account established in this act.

Provides that patient safety fee and set aside proceeds shall be administered by the department, after seeking input from health care providers engaged in direct patient care activities, health care facilities, health care provider organizations, and other interested parties.

Provides that, by December 1, 2008, the department shall report the following information to the governor and the health policy and fiscal committees of the legislature: (1) The amount of patient safety fees and set asides deposited to date in the patient safety account;

- (2) The criteria for distribution of grants, loans, or other appropriate arrangements under this act; and
- (3) A description of the medical error reduction and patient safety grants and loans distributed to date, including the stated performance measures, activities, timelines, and detailed information regarding outcomes for each project.