

2SHB 1985 - S COMM AMD

By Committee on Health & Long-Term Care

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

3 "NEW SECTION. **Sec. 1.** The legislature finds that public health is  
4 a core function of state government. The local health jurisdictions in  
5 Washington state's decentralized public health system depend on a  
6 combination of federal, state, and local funding. This funding system  
7 can make public health funding unstable on the local level and can  
8 adversely affect the public health services available to the citizens  
9 of the state. It is therefore the intent of the legislature to help  
10 provide local health jurisdictions with a more stable dedicated funding  
11 system. The legislature further intends that local health  
12 jurisdictions receiving state funds be held accountable for the use of  
13 those funds based on the minimum standards of public health protection  
14 in the state's public health improvement plan.

15 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.70 RCW  
16 to read as follows:

17 (1) Every local health jurisdiction in the state shall  
18 substantially comply with the minimum standards for public health  
19 protection established under RCW 43.70.520 as a precondition to  
20 receiving state funding from:

21 (a) Appropriations to the department for distribution to local  
22 health jurisdictions under RCW 43.70.512, 43.70.514, 43.70.516, and  
23 43.70.518;

24 (b) Appropriations to the department of community, trade, and  
25 economic development for distribution to local health jurisdictions;

26 (c) Local capacity development funds administered by the  
27 department; and

28 (d) Appropriations to the local public health financing account in  
29 the custody of the state treasurer under section 8 of this act.

1 (2) The secretary shall establish a review process for determining  
2 whether a local health jurisdiction is in substantial compliance with  
3 the minimum standards for public health protection established under  
4 RCW 43.70.520.

5 (3) Except as provided in subsection (6) of this section, the  
6 secretary shall use the process established in subsection (2) of this  
7 section to review each local health jurisdiction in the state at least  
8 once every three years.

9 (4)(a) If the secretary finds that a local health jurisdiction is  
10 not in substantial compliance with the minimum standards for public  
11 health protection, he or she shall notify the local health jurisdiction  
12 in writing.

13 (b) A local health jurisdiction receiving written notice under this  
14 subsection shall submit a plan of correction within sixty days. The  
15 plan of correction must explain the measures that the jurisdiction will  
16 undertake to achieve substantial compliance with the standards within  
17 one hundred eighty days.

18 (c) If the secretary determines that the plan of correction is  
19 likely to bring the jurisdiction into substantial compliance within one  
20 hundred eighty days, he or she shall provide technical assistance to  
21 the jurisdiction to help it to successfully complete the plan of  
22 correction. If the secretary determines that the plan of correction is  
23 not likely to bring the jurisdiction into substantial compliance within  
24 one hundred eighty days, he or she shall reject the plan of correction  
25 and allow the jurisdiction to revise and resubmit the plan within  
26 fifteen days. If the secretary finds that the revised plan of  
27 correction is not likely to bring the jurisdiction into substantial  
28 compliance within one hundred eighty days, or if the jurisdiction does  
29 not resubmit a revised plan within fifteen days, he or she shall take  
30 action under subsection (5) of this section.

31 (d) The secretary shall review a local health jurisdiction with an  
32 approved plan of correction one hundred eighty days after the approved  
33 plan's submission. If the secretary finds that the jurisdiction  
34 remains out of substantial compliance after the review required by this  
35 subsection (4)(d), he or she shall take action under subsection (5) of  
36 this section.

37 (5)(a) When the secretary finds, under subsection (4)(c) or (d) of

1 this section, that a local health jurisdiction is out of substantial  
2 compliance with the minimum standards for public health protection  
3 established under RCW 43.70.520, the secretary shall:

4 (i) Suspend any distributions made to the local health jurisdiction  
5 under RCW 43.70.512, 43.70.514, 43.70.516, and 43.70.518;

6 (ii) Suspend any local capacity development funds due to the local  
7 health jurisdiction;

8 (iii) Notify the department of community, trade, and economic  
9 development that the local health jurisdiction is out of compliance.

10 Upon notification under this subsection (5)(a)(iii), the department of  
11 community, trade, and economic development shall suspend any  
12 distributions due to the jurisdiction until the secretary sends notice  
13 that the jurisdiction is back in substantial compliance; and

14 (iv) Notify the state treasurer that the local health jurisdiction  
15 is out of compliance. Upon notification under this subsection  
16 (5)(a)(iv), the state treasurer shall suspend any distributions from  
17 the local public health financing account due to the jurisdiction until  
18 the secretary sends notice that the jurisdiction is back in substantial  
19 compliance.

20 (b) The secretary shall review, using the process established under  
21 subsection (1) of this section, a jurisdiction subject to suspension  
22 under (a) of this subsection no sooner than one hundred eighty days  
23 after funding was suspended. If the secretary finds that the  
24 jurisdiction remains out of substantial compliance, the secretary shall  
25 continue the suspension and review the jurisdiction at intervals of at  
26 least one hundred eighty days until the secretary finds that the  
27 jurisdiction is in substantial compliance. Once the secretary finds  
28 that the jurisdiction is in substantial compliance after a review under  
29 this subsection, he or she shall immediately resume the distributions  
30 suspended under this subsection. Once the suspension has been lifted  
31 the department and the department of community, trade, and economic  
32 development shall distribute any moneys the jurisdiction should have  
33 received during the period of suspension.

34 (6) The secretary may exempt a local health jurisdiction from the  
35 review process required by this section if the jurisdiction is  
36 accredited by an organization whose accreditation standards meet or  
37 exceed the minimum standards for public health protection established  
38 under RCW 43.70.520.

1        NEW SECTION.    **Sec. 3.**    (1) By November 1, 2009, each local health  
2 jurisdiction shall submit a report to the department of health  
3 indicating whether the jurisdiction is in compliance with each of the  
4 minimum standards for public health protection established under RCW  
5 43.70.520.

6        (2) The department of health shall forward the reports to the  
7 governor and the appropriate committees of the legislature no later  
8 than December 1, 2009.

9        (3) This section expires January 1, 2010.

10       **Sec. 4.**    RCW 43.70.512 and 2007 c 259 s 60 are each amended to read  
11 as follows:

12        (1) Protecting the public's health across the state is a  
13 fundamental responsibility of the state. With any new state funding of  
14 the public health system as appropriated for the purposes of (~~sections~~  
15 ~~60 through 65 of this act~~) this section and RCW 43.70.514, 43.70.516,  
16 43.70.518, and section 8 of this act, the state expects that measurable  
17 benefits will be realized to the health of the residents of Washington.  
18 A transparent process that shows the impact of increased public health  
19 spending on performance measures related to the (~~health outcomes in~~  
20 ~~subsection (2) of this section~~) minimum standards for public health  
21 protection established under RCW 43.70.520 is of great value to the  
22 state and its residents. In addition, a well-funded public health  
23 system is expected to become a more integral part of the state's  
24 emergency preparedness system.

25        (2) Subject to the availability of amounts appropriated for the  
26 purposes of (~~sections 60 through 65 of this act~~) this section and RCW  
27 43.70.514, 43.70.516, 43.70.518, and section 8 of this act,  
28 distributions to local health jurisdictions shall be used for core  
29 public health functions of statewide significance and shall deliver the  
30 following outcomes:

31        (a) Create a disease response system capable of responding at all  
32 times;

33        (b) Stop the increase in, and reduce, sexually transmitted disease  
34 rates;

35        (c) Reduce vaccine preventable diseases;

36        (d) Build capacity to quickly contain disease outbreaks;

- 1 (e) Decrease childhood and adult obesity and types I and II  
2 diabetes rates, and resulting kidney failure and dialysis;  
3 (f) Increase childhood immunization rates;  
4 (g) Improve birth outcomes and decrease child abuse;  
5 (h) Reduce animal-to-human disease rates; and  
6 (i) Monitor and protect drinking water across jurisdictional  
7 boundaries.

8 (3) Benchmarks for these outcomes shall be drawn from the national  
9 healthy people 2010 goals, other reliable data sets, and any subsequent  
10 national goals.

11 **Sec. 5.** RCW 43.70.514 and 2007 c 259 s 61 are each amended to read  
12 as follows:

13 The definitions in this section apply throughout (~~sections 60~~  
14 ~~through 65 of this act~~) this section and RCW 43.70.512, 43.70.516,  
15 43.70.518, and section 8 of this act unless the context clearly  
16 requires otherwise.

17 (1) "Core public health functions of statewide significance" or  
18 "public health functions" means health services that:

19 (a) Address: Communicable disease prevention and response;  
20 preparation for, and response to, public health emergencies caused by  
21 pandemic disease, earthquake, flood, or terrorism; prevention and  
22 management of chronic diseases and disabilities; promotion of healthy  
23 families and the development of children; assessment of local health  
24 conditions, risks, and trends, and evaluation of the effectiveness of  
25 intervention efforts; and environmental health concerns;

26 (b) Promote uniformity in the public health activities conducted by  
27 all local health jurisdictions in the public health system, increase  
28 the overall strength of the public health system, or apply to broad  
29 public health efforts; and

30 (c) If left neglected or inadequately addressed, are reasonably  
31 likely to have a significant adverse impact on counties beyond the  
32 borders of the local health jurisdiction.

33 (2) "Local health jurisdiction" or "jurisdiction" means a county  
34 board of health organized under chapter 70.05 RCW, a health district  
35 organized under chapter 70.46 RCW, or a combined city and county health  
36 department organized under chapter 70.08 RCW.

1       **Sec. 6.** RCW 43.70.516 and 2007 c 259 s 62 are each amended to read  
2 as follows:

3       (1) ~~((The department shall accomplish the tasks included in~~  
4 ~~subsection (2) of this section by utilizing the expertise of varied~~  
5 ~~interests, as provided in this subsection.—~~

6       ~~(a) In addition to the perspectives of local health jurisdictions,~~  
7 ~~the state board of health, the Washington health foundation, and~~  
8 ~~department staff that are currently engaged in development of the~~  
9 ~~public health services improvement plan under RCW 43.70.520, the~~  
10 ~~secretary shall actively engage:~~

11       ~~(i) Individuals or entities with expertise in the development of~~  
12 ~~performance measures, accountability and systems management, such as~~  
13 ~~the University of Washington school of public health and community~~  
14 ~~medicine, and experts in the development of evidence based medical~~  
15 ~~guidelines or public health practice guidelines; and~~

16       ~~(ii) Individuals or entities who will be impacted by performance~~  
17 ~~measures developed under this section and have relevant expertise, such~~  
18 ~~as community clinics, public health nurses, large employers, tribal~~  
19 ~~health providers, family planning providers, and physicians.~~

20       ~~(b) In developing the performance measures, consideration shall be~~  
21 ~~given to levels of performance necessary to promote uniformity in core~~  
22 ~~public health functions of statewide significance among all local~~  
23 ~~health jurisdictions, best scientific evidence, national standards of~~  
24 ~~performance, and innovations in public health practice.—The~~  
25 ~~performance measures shall be developed to meet the goals and outcomes~~  
26 ~~in RCW 43.70.512. The office of the state auditor shall provide advice~~  
27 ~~and consultation to the committee to assist in the development of~~  
28 ~~effective performance measures and health status indicators.~~

29       ~~(c) On or before November 1, 2007, the experts assembled under this~~  
30 ~~section shall provide recommendations to the secretary related to the~~  
31 ~~activities and services that qualify as core public health functions of~~  
32 ~~statewide significance and performance measures.—The secretary shall~~  
33 ~~provide written justification for any departure from the~~  
34 ~~recommendations.~~

35       ~~(2))~~ By January 1, 2008, the department shall~~((+~~

36       ~~(a))~~ adopt a prioritized list of activities and services performed  
37 by local health jurisdictions that qualify as core public health  
38 functions of statewide significance as defined in RCW 43.70.514~~((+and~~

1 ~~(b) Adopt appropriate performance measures with the intent of~~  
2 ~~improving health status indicators applicable to the core public health~~  
3 ~~functions of statewide significance that local health jurisdictions~~  
4 ~~must provide)).~~

5 ~~((+3)) (2) The secretary may revise the list of activities ((and~~  
6 ~~the performance measures)) in future years as appropriate. Prior to~~  
7 ~~modifying ((either)) the list ((or the performance measures)), the~~  
8 ~~secretary must provide a written explanation of the rationale for such~~  
9 ~~changes.~~

10 ~~((+4)) (3) The department and the local health jurisdictions shall~~  
11 ~~abide by the prioritized list of activities and services ((and the~~  
12 ~~performance measures developed pursuant to this section)).~~

13 ~~((+5)) (4) The department, in consultation with representatives of~~  
14 ~~county governments, shall provide local jurisdictions with financial~~  
15 ~~incentives to encourage and increase local investments in core public~~  
16 ~~health functions. The local jurisdictions shall not supplant existing~~  
17 ~~local funding with ((such)) state((-incented)) resources.~~

18 (5) By July 1, 2009, the department shall identify through a  
19 priorities of government budgeting process, seventy million dollars of  
20 total additional savings for fiscal years 2010 and 2011 to reflect the  
21 change in appropriation levels pursuant to section 9(2)(b) of this act.  
22 In determining budget priorities, the department shall:

23 (a) Achieve savings from direct, discretionary services of and by  
24 the department and not funds previously budgeted for distribution to  
25 local public health jurisdictions;

26 (b) Through July 1, 2011, suspend all telephone surveys and other  
27 efforts aimed at collecting nonessential data on the behavioral choices  
28 of the public that may or may not be related to public health;

29 (c) Temporarily suspend all print and other media costs associated  
30 with nonessential public relations activities;

31 (d) Identify additional savings by prioritizing the allocation of  
32 discretionary state resources to programs and administrative tasks that  
33 cannot otherwise be achieved by local public health entities;

34 (e) Work with local public health boards to determine an  
35 appropriate division of duties that will allow savings while  
36 maintaining a public health structure that provides the core public  
37 health functions of statewide significance as defined in RCW 43.70.514;  
38 and

1 (f) By July 1, 2009, submit to the governor a line-item budget  
2 detail that reflects the savings achieved with a full accounting for  
3 the priorities of government process which created such savings.

4 (6) Any staffing or programmatic changes within the department that  
5 are necessary to implement savings for fiscal years 2010 and 2011 shall  
6 be made effective July 1, 2009.

7 **Sec. 7.** RCW 43.70.518 and 2007 c 259 s 63 are each amended to read  
8 as follows:

9 Beginning November 15, ~~((2009))~~ 2010, the department shall report  
10 to the legislature and the governor annually on the distribution of  
11 funds to local health jurisdictions under ~~((sections 60 through 65 of~~  
12 ~~this act))~~ this section and RCW 43.70.512, 43.70.514, 43.70.516, and  
13 section 8 of this act, and the use of those funds. The ~~((initial))~~  
14 reports must discuss the ~~((performance measures adopted by the~~  
15 ~~secretary and any impact the funding in chapter 259, Laws of 2007 has~~  
16 ~~had on local health jurisdiction performance and health status~~  
17 ~~indicators. Future reports shall evaluate))~~ impact the funds have had  
18 on local health jurisdictions' ability to meet the minimum standards  
19 for public health protection established under RCW 43.70.520 as well as  
20 trends in performance over time and the effects of expenditures on  
21 performance over time.

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

24 (1) The local public health financing account is created in the  
25 custody of the state treasurer. Expenditures from the account may be  
26 used only for the purposes in subsections (2) and (3) of this section.  
27 Only the treasurer or the treasurer's designee may authorize  
28 expenditures from the account. The account is subject to the allotment  
29 procedures under chapter 43.88 RCW, but an appropriation is not  
30 required for expenditures.

31 (2) For fiscal year 2010, and each fiscal year thereafter, the  
32 state treasurer shall distribute from the local public health financing  
33 account any amounts in the account up to a maximum of two million six  
34 hundred twenty-five thousand dollars to be shared in equal proportion  
35 amongst all local health jurisdictions to address core public health  
36 functions of statewide significance.



1 (3) For fiscal year 2010, and each fiscal year thereafter, the  
2 state treasurer, in consultation with the department of revenue or the  
3 department of health, as necessary, shall distribute money in the local  
4 public health financing account as provided in this subsection.

5 Appropriated funds available following the distribution of moneys  
6 under subsection (2) of this section must be apportioned to local  
7 health jurisdictions in the manner provided in this subsection (3).  
8 The apportionment factor for each jurisdiction is the population of the  
9 jurisdiction's county as a percentage of the statewide population for  
10 the prior calendar year. For two or more counties that have jointly  
11 created a health district under chapter 70.46 RCW, the combined  
12 population of all counties comprising the health district must be used.  
13 Money received by a jurisdiction under this subsection (3) must be used  
14 to fund core public health functions of statewide significance.

15 (4) Until July 1, 2011, fifty percent of funds allocated in  
16 subsections (2) and (3) of this section shall be used for expansion of  
17 local public health services by the local health jurisdiction. No more  
18 than fifty percent of funds allocated in subsections (2) and (3) of  
19 this section may be used to supplant existing services. After July 1,  
20 2011, no funds allocated under subsections (2) and (3) of this section  
21 may be used to supplant base level funding of local public health  
22 services.

23 **Sec. 9.** RCW 43.72.900 and 2005 c 518 s 930 are each amended to  
24 read as follows:

25 (1) The health services account is created in the state treasury.  
26 Moneys in the account may be spent only after appropriation. Subject  
27 to the transfers described in subsection (3) of this section, moneys in  
28 the account may be expended only for maintaining and expanding health  
29 services access for low-income residents, maintaining and expanding the  
30 public health system, maintaining and improving the capacity of the  
31 health care system, containing health care costs, and the regulation,  
32 planning, and administering of the health care system.

33 (2) Funds deposited into the health services account under RCW  
34 82.24.028 and 82.26.028 shall be used solely as follows:

35 (a) Five million dollars for the state fiscal year beginning July  
36 1, 2002, and five million dollars for the state fiscal year beginning  
37 July 1, 2003, shall be appropriated by the legislature for programs

1 that effectively improve the health of low-income persons, including  
2 efforts to reduce diseases and illnesses that harm low-income persons.  
3 The department of health shall submit a report to the legislature on  
4 March 1, 2002, evaluating the cost-effectiveness of programs that  
5 improve the health of low-income persons and address diseases and  
6 illnesses that disproportionately affect low-income persons, and making  
7 recommendations to the legislature on which of these programs could  
8 most effectively utilize the funds appropriated under this subsection.

9 (b) Thirty-five million dollars for the state fiscal year beginning  
10 July 1, 2009, and thirty-five million dollars for the state fiscal year  
11 beginning July 1, 2010, shall be transferred to the local public health  
12 financing account created in section 8 of this act. Beginning July 1,  
13 2011, and on July 1 of each fiscal year to follow, a transfer to the  
14 local public health financing account shall be made in the amount of  
15 thirty-five million dollars. The appropriation in this subsection  
16 (2)(b) shall in no way impact the disbursement of funds otherwise  
17 authorized in this section. For fiscal years 2010 and 2011, all funds  
18 transferred to the local public health financing account under this  
19 section shall be diverted from appropriations otherwise designated for  
20 the state general fund or the department of health.

21 (c) Ten percent of the funds deposited into the health services  
22 account under RCW 82.24.028 and 82.26.028 remaining after the  
23 appropriation under (a) of this subsection shall be transferred no less  
24 frequently than annually by the treasurer to the tobacco prevention and  
25 control account established by RCW 43.79.480. The funds transferred  
26 shall be used exclusively for implementation of the Washington state  
27 tobacco prevention and control plan and shall be used only to  
28 supplement, and not supplant, funds in the tobacco prevention and  
29 control account as of January 1, 2001, however, these funds may be used  
30 to replace funds appropriated by the legislature for further  
31 implementation of the Washington state tobacco prevention and control  
32 plan for the biennium beginning July 1, 2001. For each state fiscal  
33 year beginning on and after July 1, 2002, the legislature shall  
34 appropriate no less than twenty-six million two hundred forty thousand  
35 dollars from the tobacco prevention and control account for  
36 implementation of the Washington state tobacco prevention and control  
37 plan.

1       (~~(e)~~) (d) Because of its demonstrated effectiveness in improving  
2 the health of low-income persons and addressing illnesses and diseases  
3 that harm low-income persons, the remainder of the funds deposited into  
4 the health services account under RCW 82.24.028 and 82.26.028 shall be  
5 appropriated solely for Washington basic health plan enrollment as  
6 provided in chapter 70.47 RCW. Funds appropriated under this  
7 subsection may be used to support outreach and enrollment activities  
8 only to the extent necessary to achieve the enrollment goals described  
9 in this section.

10       (3) Prior to expenditure for the purposes described in subsection  
11 (2) of this section, funds deposited into the health services account  
12 under RCW 82.24.028 and 82.26.028 shall first be transferred to the  
13 following accounts to ensure the continued availability of previously  
14 dedicated revenues for certain existing programs:

15       (a) To the violence reduction and drug enforcement account under  
16 RCW 69.50.520, two million two hundred forty-nine thousand five hundred  
17 dollars for the state fiscal year beginning July 1, 2001, four million  
18 two hundred forty-eight thousand dollars for the state fiscal year  
19 beginning July 1, 2002, seven million seven hundred eighty-nine  
20 thousand dollars for the biennium beginning July 1, 2003, six million  
21 nine hundred thirty-two thousand dollars for the biennium beginning  
22 July 1, 2005, and six million nine hundred thirty-two thousand dollars  
23 for each biennium thereafter, as required by RCW 82.24.020(2);

24       (b) To the health services account under this section, nine million  
25 seventy-seven thousand dollars for the state fiscal year beginning July  
26 1, 2001, seventeen million one hundred eighty-eight thousand dollars  
27 for the state fiscal year beginning July 1, 2002, thirty-one million  
28 seven hundred fifty-five thousand dollars for the biennium beginning  
29 July 1, 2003, twenty-eight million six hundred twenty-two thousand  
30 dollars for the biennium beginning July 1, 2005, and twenty-eight  
31 million six hundred twenty-two thousand dollars for each biennium  
32 thereafter, as required by RCW 82.24.020(3); and

33       (c) To the water quality account under RCW 70.146.030, two million  
34 two hundred three thousand five hundred dollars for the state fiscal  
35 year beginning July 1, 2001, four million two hundred forty-four  
36 thousand dollars for the state fiscal year beginning July 1, 2002,  
37 eight million one hundred eighty-two thousand dollars for the biennium  
38 beginning July 1, 2003, seven million eight hundred eighty-five

1 thousand dollars for the biennium beginning July 1, 2005, and seven  
2 million eight hundred eighty-five thousand dollars for each biennium  
3 thereafter, as required by RCW 82.24.027(2)(a).

4 During the 2005-2007 fiscal biennium, the legislature may transfer  
5 from the health services account such amounts as reflect the excess  
6 fund balance of the account to the state general fund.

7 NEW SECTION. **Sec. 10.** RCW 43.70.522 (Public health performance  
8 measures--Assessing the use of funds--Secretary's duties) and 2007 c  
9 259 s 65 are each repealed.

10 NEW SECTION. **Sec. 11.** This act is necessary for the immediate  
11 preservation of the public peace, health, or safety, or support of the  
12 state government and its existing public institutions, and takes effect  
13 immediately."

**2SHB 1985** - S COMM AMD

By Committee on Health & Long-Term Care

14 On page 1, line 1 of the title, after "financing;" strike the  
15 remainder of the title and insert "amending RCW 43.70.512, 43.70.514,  
16 43.70.516, 43.70.518, and 43.72.900; adding new sections to chapter  
17 43.70 RCW; creating new sections; repealing RCW 43.70.522; providing an  
18 expiration date; and declaring an emergency."

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