

2 **SHB 2495** - S COMM AMD

3 By Committee on Health & Long-Term Care

4 ADOPTED AS AMENDED 3/3/92

5 Strike everything after the enacting clause and insert the  
6 following:

7 "NEW SECTION. **Sec. 1.** The legislature finds that maintaining  
8 the viability of health care service delivery in rural areas of  
9 Washington is a primary goal of state health policy. The legislature  
10 also finds that most hospitals located in rural Washington are operated  
11 by public hospital districts authorized under chapter 70.44 RCW and  
12 declares that it is not cost-effective, practical, or desirable to  
13 provide quality health and hospital care services in rural areas on a  
14 competitive basis because of limited patient volume and geographic  
15 isolation. It is the intent of this act to foster the development of  
16 cooperative and collaborative arrangements among rural public hospital  
17 districts by specifically authorizing cooperative agreements and  
18 contracts for these entities under the interlocal cooperation act."

19 "NEW SECTION. **Sec. 2.** A new section is added to chapter 70.44 RCW  
20 to read as follows:

21 Unless the context clearly requires otherwise, the definition in  
22 this section applies throughout section 3 of this act.

23 "Rural public hospital district" means a public hospital district  
24 authorized under chapter 70.44 RCW whose geographic boundaries do not  
25 include a city with a population greater than thirty thousand."

1        "NEW SECTION.   **Sec. 3.**  A new section is added to chapter 70.44 RCW  
2  to read as follows:

3        In addition to other powers granted to public hospital districts by  
4  chapter 39.34 RCW, rural public hospital districts may enter into  
5  cooperative agreements and contracts with other rural public hospital  
6  districts in order to provide for the health care needs of the people  
7  served by the hospital districts.  These agreements and contracts are  
8  specifically authorized to include:

9        (1)  Allocation of health care services among the different  
10 facilities owned and operated by the districts;

11       (2)  Combined purchases and allocations of medical equipment and  
12 technologies;

13       (3)  Joint agreements and contracts for health care service delivery  
14 and payment with public and private entities; and

15       (4)  Other cooperative arrangements consistent with the intent of  
16 chapter ---, Laws of 1992 (this act).  The provisions of chapter 39.34  
17 RCW shall apply to the development and implementation of the  
18 cooperative contracts and agreements."

19        "**Sec. 4.**  RCW 39.34.030 and 1990 c 33 s 568 are each amended to  
20 read as follows:

21       (1)  Any power or powers, privileges or authority exercised or  
22 capable of exercise by a public agency of this state may be exercised  
23 and enjoyed jointly with any other public agency of this state having  
24 the power or powers, privilege or authority, and jointly with any  
25 public agency of any other state or of the United States to the extent  
26 that laws of such other state or of the United States permit such joint  
27 exercise or enjoyment.  Any agency of the state government when acting  
28 jointly with any public agency may exercise and enjoy all of the

1 powers, privileges and authority conferred by this chapter upon a  
2 public agency.

3 (2) Any two or more public agencies may enter into agreements with  
4 one another for joint or cooperative action pursuant to the provisions  
5 of this chapter: PROVIDED, That any such joint or cooperative action  
6 by public agencies which are educational service districts and/or  
7 school districts shall comply with the provisions of RCW 28A.320.080.  
8 Appropriate action by ordinance, resolution or otherwise pursuant to  
9 law of the governing bodies of the participating public agencies shall  
10 be necessary before any such agreement may enter into force.

11 (3) Any such agreement shall specify the following:

12 (a) Its duration;

13 (b) The precise organization, composition and nature of any  
14 separate legal or administrative entity created thereby together with  
15 the powers delegated thereto, provided such entity may be legally  
16 created. Such entity may include a nonprofit corporation organized  
17 pursuant to chapter 24.03 or 24.06 RCW whose membership is limited  
18 solely to the participating public agencies or a partnership organized  
19 pursuant to chapter 25.04 RCW whose partners are limited solely to  
20 participating public agencies and the funds of any such corporation or  
21 partnership shall be subject to audit in the manner provided by law for  
22 the auditing of public funds;

23 (c) Its purpose or purposes;

24 (d) The manner of financing the joint or cooperative undertaking  
25 and of establishing and maintaining a budget therefor;

26 (e) The permissible method or methods to be employed in  
27 accomplishing the partial or complete termination of the agreement and  
28 for disposing of property upon such partial or complete termination;

29 (f) Any other necessary and proper matters.

1 (4) In the event that the agreement does not establish a separate  
2 legal entity to conduct the joint or cooperative undertaking, the  
3 agreement shall, in addition to items (a), (c), (d), (e) and (f)  
4 enumerated in subdivision (3) hereof, contain the following:

5 (a) Provision for an administrator or a joint board responsible for  
6 administering the joint or cooperative undertaking. In the case of a  
7 joint board, public agencies party to the agreement shall be  
8 represented;

9 (b) The manner of acquiring, holding and disposing of real and  
10 personal property used in the joint or cooperative undertaking. Any  
11 joint board is authorized to establish a special fund with a state,  
12 county, city, or district treasurer servicing an involved public agency  
13 designated "Operating fund of ..... joint board".

14 (5) No agreement made pursuant to this chapter shall relieve any  
15 public agency of any obligation or responsibility imposed upon it by  
16 law except that to the extent of actual and timely performance thereof  
17 by a joint board or other legal or administrative entity created by an  
18 agreement made hereunder, (~~said~~) the performance may be offered in  
19 satisfaction of the obligation or responsibility.

20 (6) Financing of joint projects by agreement shall be as provided  
21 by law."

22 "Sec. 5. RCW 39.34.040 and 1967 c 239 s 5 are each amended to read  
23 as follows:

24 Prior to its entry into force, an agreement made pursuant to this  
25 chapter shall be filed with the (~~city clerk and~~) county auditor and  
26 with the secretary of state. In the event that an agreement entered  
27 into pursuant to this chapter is between or among one or more public  
28 agencies of this state and one or more public agencies of another state  
29 or of the United States (~~said~~) the agreement shall have the status of

1 an interstate compact, but in any case or controversy involving  
2 performance or interpretation thereof or liability thereunder, the  
3 public agencies party thereto shall be real parties in interest and the  
4 state may maintain an action to recoup or otherwise make itself whole  
5 for any damages or liability which it may incur by reason of being  
6 joined as a party therein. Such action shall be maintainable against  
7 any public agency or agencies whose default, failure of performance, or  
8 other conduct caused or contributed to the incurring of damage or  
9 liability by the state."

10 "Sec. 6. RCW 39.34.050 and 1967 c 239 s 6 are each amended to read  
11 as follows:

12 In the event that an agreement made pursuant to this chapter shall  
13 deal in whole or in part with the provision of services or facilities  
14 with regard to which an officer or agency of the state government has  
15 constitutional or statutory powers of control, the agreement shall, as  
16 a condition precedent to its entry into force, be submitted to the  
17 state officer or agency having such power of control ~~((and))~~. The  
18 agreement shall be approved or disapproved by ((him or it as to all  
19 matters within his or its jurisdiction)) the state officer or agency  
20 with regard to matters within his, her, or its jurisdiction within  
21 ninety days after receipt of the agreement. If a state officer or  
22 agency fails to act within the ninety-day time limit, the agreement  
23 shall be deemed approved by that state officer or agency."

24 "Sec. 7. RCW 39.34.060 and 1967 c 239 s 7 are each amended to read  
25 as follows:

26 Any public agency entering into an agreement pursuant to this  
27 chapter may appropriate funds and may sell, lease, give, or otherwise  
28 supply property, personnel, and services to the administrative joint

1 board or other legal or administrative entity created to operate the  
2 joint or cooperative undertaking (~~by providing such personnel or~~  
3 ~~services therefor as may be within its legal power to furnish~~))."

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7 On page 1, line 1 of the title, after "governments;" strike the  
8 remainder of the title and insert "amending RCW 39.34.030, 39.34.040,  
9 39.34.050, and 39.34.060; adding new sections to chapter 70.44 RCW; and  
10 creating a new section."