
SUBSTITUTE HOUSE BILL 2341

State of Washington

52nd Legislature

1992 Regular Session

By House Committee on Health Care (originally sponsored by Representatives Moyer, Braddock, Paris, Franklin, Hochstatter, Morris, Forner, Cantwell, Rasmussen, Hargrove, Padden, Wang, Winsley, Brough, Van Luven, Nealey, Chandler, Roland, D. Sommers, Mitchell, Bowman, Wynne, Spanel, May, Carlson, P. Johnson and Sprenkle)

Read first time 02/03/92.

1 AN ACT Relating to hospital charges to health care providers who
2 order them; adding a new section to chapter 70.41 RCW; adding a new
3 section to chapter 71.12 RCW; creating new sections; and providing an
4 effective date.

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

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

8 (1) The legislature finds that the spiraling costs of health care
9 continue to surmount efforts to contain them, increasing at
10 approximately twice the inflationary rate. The causes of this
11 phenomenon are complex. By making physicians and other health care
12 providers with hospital admitting privileges more aware of the cost
13 consequences of health care services for consumers, these providers may
14 be inclined to exercise more restraint in providing only the most

1 relevant and cost-beneficial hospital services, with a potential for
2 reducing the utilization of those services. The requirement of the
3 hospital to inform physicians and other health care providers of the
4 charges of the health care services that they order may have a positive
5 effect on containing health costs. Further, the option of the
6 physician or other health care provider to inform the patient of these
7 charges may strengthen the necessary dialogue in the provider-patient
8 relationship that tends to be diminished by intervening third-party
9 payors.

10 (2) The chief executive officer of a hospital licensed under this
11 chapter and the superintendent of a state hospital shall establish and
12 maintain a procedure for disclosing to physicians and other health care
13 providers with admitting privileges the charges of all in-house health
14 care services to be ordered for their patients. These charges shall be
15 posted on the patient's chart and shall include total charges to date
16 and an itemization of charges for the previous day. The physician or
17 other health care provider may inform the patient of these charges.

18 NEW SECTION. **Sec. 2.** A new section is added to chapter 71.12 RCW
19 to read as follows:

20 (1) The legislature finds that the spiraling costs of health care
21 continue to surmount efforts to contain them, increasing at
22 approximately twice the inflationary rate. The causes of this
23 phenomenon are complex. By making physicians and other health care
24 providers with hospital admitting privileges more aware of the cost
25 consequences of health care services for consumers, these providers may
26 be inclined to exercise more restraint in providing only the most
27 relevant and cost-beneficial hospital services, with a potential for
28 reducing the utilization of those services. The requirement of the
29 hospital to inform physicians and other health care providers of the

1 charges of the health care services that they order may have a positive
2 effect on containing health costs. Further, the option of the
3 physician or other health care provider to inform the patient of these
4 charges may strengthen the necessary dialogue in the provider-patient
5 relationship that tends to be diminished by intervening third-party
6 payors.

7 (2) The chief executive officer of a hospital licensed under this
8 chapter and the superintendent of a state hospital shall establish and
9 maintain a procedure for disclosing to physicians and other health care
10 providers with admitting privileges the charges of all in-house health
11 care services to be ordered for their patients. These charges shall be
12 posted on the patient's chart and shall include total charges to date
13 and an itemization of charges for the previous day. The physician or
14 other health care provider may inform the patient of these charges.

15 NEW SECTION. **Sec. 3.** The Washington state hospital
16 association, in cooperation with the Washington state medical
17 association, Washington state nurses association, and other appropriate
18 interested parties, and in consultation with the department of health,
19 is requested to develop a protocol that establishes a standardized
20 system of disclosure of charges of hospital-based services for the
21 purposes of this act; that promotes dialogue between hospitals,
22 physicians, nurses, and other health care providers for encouraging a
23 better cost consciousness regarding the services, procedures,
24 medications and supplies which are ordered for hospital in-patients;
25 that invites more cost-benefit comparisons of appropriate alternatives;
26 and that minimizes the costs of instituting this standardized
27 information system by the hospitals in this state.

1 NEW SECTION. **Sec. 4.** The department of health shall report to
2 the legislature by December 31, 1992, on the status of the development
3 of the protocol developed pursuant to section 3 of this act and its
4 implementation by hospitals, with recommendations on any necessary
5 revisions to this act (chapter ..., Laws of 1992), including its
6 continued necessity and the appropriateness of its repeal.

7 NEW SECTION. **Sec. 5.** Sections 1 and 2 of this act shall take
8 effect July 1, 1993.