

HOUSE BILL REPORT

ESHB 1589

As Amended by Senate

Title: An act relating to quality assurance.

Brief Description: Providing health care quality assurance.

Sponsors: By House Committee on Health Care (originally sponsored by Representatives Backlund and Dyer).

Brief History:

Committee Activity:

Health Care: 2/10/95, 2/17/95, 2/28/95 [DPS].

Floor Activity:

Passed House: 3/14/95, 98-0.

Senate Amended.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Dyer, Chairman; Backlund, Vice Chairman; Hymes, Vice Chairman; Dellwo, Ranking Minority Member; Cody, Assistant Ranking Minority Member; Campbell; Casada; Conway; Crouse; Kessler; Sherstad and Skinner.

Minority Report: Without recommendation. Signed by 1 member: Representative Morris.

Staff: Bill Hagens (786-7131).

Background: The 1993 Health Services Act sets forth a comprehensive health data system and health quality improvement process.

Currently, the state quality improvement and medical malpractice prevention program applies only to hospitals and does not permit related state agencies and health carriers to participate.

Presently, there are no standards with respect to ethical conduct governing the terms and conditions of a contract or agreement between providers and payers of health care.

The Comprehensive Hospital Abstract Reporting System (CHARS) was created to gather, analyze, and report hospital discharge data. To finance this activity, there is assessed against "hospitals . . . no more than four one-hundredths of one percent of each hospital's gross operating costs." Although there are different types of CHARS users, hospitals are the sole funding source. The Washington Health Services Act of 1993 placed a tax on hospitals of .75 percent (1994) and 1.5 percent (1995) to be deposited in the Health Services Account for the support of health reform activities. The CHARS assessment was not repealed.

A recent medical malpractice case held a health care provider liable for the decision of the a health care payer not to provide certain services.

Summary of Bill: This measure repeals the Health Services Information System mandated by the Washington Health Services Act of 1993. The Comprehensive Hospital Abstract Reporting System (CHARS) is maintained.

The Department of Health (DOH) is required to study the feasibility of a uniform quality assurance and improvement program. In doing so, DOH must consult with consumers, health carriers, health care providers and facilities, and public agencies. The study shall include but not be limited to: Health care provider training, credentialing, and licensure standards; health care facility credentialing and recredentialing; staff ratios in health care facilities; mortality and morbidity rates; cost and average length of hospital stays; number of the defined set of procedures; utilization performance profiles by provider; and other elements. DOH must submit its final report and recommendations to the Legislature by December 31, 1995, but cannot adopt any related rules unless expressly directed to do so by an act of law.

By July 1, 1995, the DOH must form an interagency group with the Health Care Authority, the Department of Social and Health Services, the Office of the Insurance Commissioner, and the Department of Labor and Industries for coordination and consultation on quality assurance activities.

The Secretary of Health is authorized to adopt rules providing for standards of ethical conduct with respect to the terms and conditions of a contract or agreement between a provider and a payer of health services.

Health related stated agencies, health maintenance organizations, and health service contractors are authorized to develop a quality improvement and medical malpractice prevention program consistent with state law.

The CHARS assessment on hospitals is terminated as of July 1, 1995.

A health care payer who covers the health care services of a patient cannot disclaim liability by contract for a decision not to pay for health care services recommended by a health care provider.

EFFECT OF SENATE AMENDMENT(S):

The amendment: restores health data standards; adds anti-trust provisions; places a "null and void" clause on the repeal of hospital assessment for the CHARS system; deletes ethical standards for managed care contracting; and deletes provisions relating to malpractice.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: None was presented for bill as substituted.

Testimony Against: None was presented against bill as substituted.

Testified: None for bill as substituted.

Votes on Final Passage:

Yeas 98