
SENATE BILL 5453

State of Washington 64th Legislature 2015 Regular Session

By Senators Becker, Frockt, Bailey, Jayapal, Chase, and McAuliffe

Read first time 01/22/15. Referred to Committee on Health Care.

1 AN ACT Relating to establishing extended stay recovery centers;
2 amending RCW 42.56.360 and 70.230.060; adding a new chapter to Title
3 70 RCW; and prescribing penalties.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that the
6 progression of medical technology and resulting clinical improvements
7 have enabled more numerous and complex surgical procedures to be
8 performed safely on an outpatient basis. An extended stay recovery
9 center enhances the ability of ambulatory surgical facilities to
10 treat certain patients, who did not require the trappings of an acute
11 care hospital during their recovery period, on an overnight basis.

12 (2) The legislature further finds that this approach has
13 increased quality health care services in other states and would
14 likely benefit patients of ambulatory surgical facilities in
15 Washington state. Although the majority of patients in ambulatory
16 surgical facilities are able to be discharged to their own homes, a
17 small percentage have longer recovery times and require overnight
18 care by a hospital. Permitting these patients to avail themselves of
19 extended stay recovery centers avoids ambulance and hospitalization
20 costs, resulting in decreased health care system costs, increased
21 quality, and improved patient experience and outcomes.

1 (3) Therefore, the legislature intends to authorize extended stay
2 recovery centers to provide an effective, well-regulated environment
3 in which a patient can safely recuperate following surgical or other
4 care.

5 NEW SECTION. **Sec. 2.** The definitions in this section apply
6 throughout this chapter unless the context clearly requires
7 otherwise.

8 (1) "Department" means the department of health.

9 (2) "Extended stay recovery center" means a facility, licensed
10 under this chapter, operated for the sole purpose of facilitating the
11 extended recovery of patients that have been discharged from an
12 ambulatory surgical facility. "Extended stay recovery center" does
13 not mean a health care facility for the purposes of chapter 70.38
14 RCW.

15 (3) "Person" means an individual, firm, partnership, corporation,
16 company, association, joint stock association, and the legal
17 successor thereof.

18 (4) "Secretary" means the secretary for the department of health.

19 NEW SECTION. **Sec. 3.** A person or governmental unit of the state
20 of Washington, acting separately or jointly with any other person or
21 governmental unit, may not establish, maintain, or conduct an
22 extended stay recovery center in this state or advertise by using the
23 term "extended stay recovery center" without a license issued by the
24 department under this chapter.

25 NEW SECTION. **Sec. 4.** (1) An applicant for a license to operate
26 an extended stay recovery center must demonstrate the ability to
27 comply with the standards established for operating and maintaining
28 an extended stay recovery center under this chapter and under rules
29 adopted to implement this chapter. This includes:

30 (a) Submitting a written application to the department providing
31 all necessary information on a form provided by the department;

32 (b) Submitting building plans for review and approval by the
33 department for new construction, alterations other than minor
34 alterations, and additions to existing facilities, before obtaining a
35 license and occupying the building;

36 (c) Cooperating with the department during on-site inspections
37 before obtaining an initial license or renewing an existing license;

1 (d) Providing such proof as the department may require concerning
2 the ownership and management of the extended stay recovery center,
3 including information about the organization and governance of the
4 facility and the identity of the applicant, officers, directors,
5 partners, managing employees, or owners of ten percent or more of the
6 applicant's assets;

7 (e) Submitting a copy of the extended stay recovery center's
8 safety and emergency training program established under section 5 of
9 this act;

10 (f) Paying the license fee established by the department under
11 RCW 43.70.110; and

12 (g) Providing other information required by the department.

13 (2) A license is valid for three years. An extended stay recovery
14 center must submit a license renewal application on forms provided by
15 the department and must submit a renewal license fee established by
16 the department under RCW 43.70.110. The applicant must demonstrate
17 the ability to comply with this chapter and the rules adopted on
18 operating an extended stay recovery center. The license renewal must
19 be submitted at least thirty days before the date of the license's
20 expiration.

21 NEW SECTION. **Sec. 5.** An extended stay recovery center must have
22 a safety and emergency training program. The program must include:

23 (1) On-site equipment, medication, and trained personnel
24 necessary to meet the patient's needs during his or her stay at the
25 extended stay recovery center and to facilitate the management of any
26 medical emergency that may arise in connection with the patient's
27 recovery from the surgical procedure performed at an ambulatory
28 surgical facility;

29 (2) Written transfer agreements with local hospitals licensed
30 under chapter 70.41 RCW, approved by the extended stay recovery
31 center's medical staff; and

32 (3) A procedural plan for handling medical emergencies that is
33 available for review during department inspections.

34 NEW SECTION. **Sec. 6.** (1) The secretary may deny, suspend, or
35 revoke the license of any extended stay recovery center if the
36 secretary finds the applicant or registered entity knowingly made a
37 false statement of material fact in the application for the license

1 or any supporting data in any record required by this chapter or
2 matter under investigation by the department.

3 (2) The secretary shall investigate complaints concerning the
4 operation of an extended stay recovery center without a license. The
5 secretary may issue a notice of intention to issue a cease and desist
6 order to any person whom the secretary has reason to believe is
7 engaged in the unlicensed operation of an extended stay recovery
8 center. If the secretary makes a written finding of fact that the
9 public interest will be irreparably harmed by delay in issuing an
10 order, the secretary may issue a temporary cease and desist order.
11 The person receiving a temporary cease and desist order must be
12 provided an opportunity for a prompt hearing. The temporary cease and
13 desist order remains in effect until further order of the secretary.
14 Any person operating an extended stay recovery center under this
15 chapter without a license is guilty of a misdemeanor, and each day of
16 operation of an unlicensed extended stay recovery center constitutes
17 a separate offense.

18 (3) The secretary is authorized to deny, suspend, revoke, or
19 modify a license or provisional license in any case in which it finds
20 that there has been a failure or refusal to comply with the
21 requirements of this chapter or the standards or rules adopted under
22 this chapter. RCW 43.70.115 governs notice of a license denial,
23 revocation, suspension, or modification and provides the right to an
24 adjudicative proceeding.

25 (4) Pursuant to chapter 34.05 RCW, the secretary may assess
26 monetary penalties of a civil nature not to exceed one thousand
27 dollars per violation.

28 NEW SECTION. **Sec. 7.** The duration of stay for patients in an
29 extended stay recovery center may be for no more than seventy-two
30 hours from admission. If, after seventy-two hours, the patient is not
31 able to be discharged to his or her home, the extended stay recovery
32 center must arrange for the patient to be transported to a hospital
33 licensed under chapter 70.41 RCW.

34 NEW SECTION. **Sec. 8.** The department must adopt minimum
35 standards and rules pertaining to the construction, maintenance, and
36 operation of extended stay recovery centers. Rules must provide for
37 the establishment and maintenance of standards of patient care

1 required for the safe and adequate care and treatment of patients,
2 including twenty-four hour staffing requirements.

3 NEW SECTION. **Sec. 9.** The department may at any time inspect the
4 premises of an extended stay recovery center. If the department
5 determines that the extended stay recovery center is out of
6 compliance with this chapter and that this may interfere with patient
7 safety, the department may, for just and reasonable cause, suspend,
8 modify, or revoke the license of an extended stay recovery center.
9 RCW 43.70.115 governs notice of a license denial, revocation,
10 suspension, or modification and provides the right to an adjudicative
11 proceeding.

12 NEW SECTION. **Sec. 10.** The department must require extended stay
13 recovery centers to submit data related to the quality of patient
14 care for review by the department. The data must be submitted every
15 eighteen months. The department shall consider the reporting
16 standards of other public and private organizations that measure
17 quality in order to maintain consistency in reporting and minimize
18 the burden on the extended stay recovery center. The department must
19 review the data to determine the maintenance of quality patient care
20 at the extended stay recovery center. If the department determines
21 that the care offered at the extended stay recovery center may
22 present a risk to the health and safety of patients, the department
23 may conduct an inspection of the facility and initiate appropriate
24 actions to protect the public. Information submitted to the
25 department pursuant to this section is exempt from disclosure under
26 chapter 42.56 RCW.

27 **Sec. 11.** RCW 42.56.360 and 2014 c 223 s 17 are each amended to
28 read as follows:

29 (1) The following health care information is exempt from
30 disclosure under this chapter:

31 (a) Information obtained by the pharmacy quality assurance
32 commission as provided in RCW 69.45.090;

33 (b) Information obtained by the pharmacy quality assurance
34 commission or the department of health and its representatives as
35 provided in RCW 69.41.044, 69.41.280, and 18.64.420;

36 (c) Information and documents created specifically for, and
37 collected and maintained by a quality improvement committee under RCW

1 43.70.510, 70.230.080, or 70.41.200, or by a peer review committee
2 under RCW 4.24.250, or by a quality assurance committee pursuant to
3 RCW 74.42.640 or 18.20.390, or by a hospital, as defined in RCW
4 43.70.056, for reporting of health care-associated infections under
5 RCW 43.70.056, a notification of an incident under RCW 70.56.040(5),
6 and reports regarding adverse events under RCW 70.56.020(2)(b),
7 regardless of which agency is in possession of the information and
8 documents;

9 (d)(i) Proprietary financial and commercial information that the
10 submitting entity, with review by the department of health,
11 specifically identifies at the time it is submitted and that is
12 provided to or obtained by the department of health in connection
13 with an application for, or the supervision of, an antitrust
14 exemption sought by the submitting entity under RCW 43.72.310;

15 (ii) If a request for such information is received, the
16 submitting entity must be notified of the request. Within ten
17 business days of receipt of the notice, the submitting entity shall
18 provide a written statement of the continuing need for
19 confidentiality, which shall be provided to the requester. Upon
20 receipt of such notice, the department of health shall continue to
21 treat information designated under this subsection (1)(d) as exempt
22 from disclosure;

23 (iii) If the requester initiates an action to compel disclosure
24 under this chapter, the submitting entity must be joined as a party
25 to demonstrate the continuing need for confidentiality;

26 (e) Records of the entity obtained in an action under RCW
27 18.71.300 through 18.71.340;

28 (f) Complaints filed under chapter 18.130 RCW after July 27,
29 1997, to the extent provided in RCW 18.130.095(1);

30 (g) Information obtained by the department of health under
31 chapter 70.225 RCW;

32 (h) Information obtained by the department of health under
33 section 10 of this act;

34 (i) Information collected by the department of health under
35 chapter 70.245 RCW except as provided in RCW 70.245.150;

36 ((+i)) (j) Cardiac and stroke system performance data submitted
37 to national, state, or local data collection systems under RCW
38 70.168.150(2)(b);

1 (~~(j)~~) (k) All documents, including completed forms, received
2 pursuant to a wellness program under RCW 41.04.362, but not
3 statistical reports that do not identify an individual; and

4 (~~(k)~~) (l) Data and information exempt from disclosure under RCW
5 43.371.040.

6 (2) Chapter 70.02 RCW applies to public inspection and copying of
7 health care information of patients.

8 (3)(a) Documents related to infant mortality reviews conducted
9 pursuant to RCW 70.05.170 are exempt from disclosure as provided for
10 in RCW 70.05.170(3).

11 (b)(i) If an agency provides copies of public records to another
12 agency that are exempt from public disclosure under this subsection
13 (3), those records remain exempt to the same extent the records were
14 exempt in the possession of the originating entity.

15 (ii) For notice purposes only, agencies providing exempt records
16 under this subsection (3) to other agencies may mark any exempt
17 records as "exempt" so that the receiving agency is aware of the
18 exemption, however whether or not a record is marked exempt does not
19 affect whether the record is actually exempt from disclosure.

20 **Sec. 12.** RCW 70.230.060 and 2007 c 273 s 6 are each amended to
21 read as follows:

22 An ambulatory surgical facility shall have a facility safety and
23 emergency training program. The program shall include:

24 (1) On-site equipment, medication, and trained personnel to
25 facilitate handling of services sought or provided and to facilitate
26 the management of any medical emergency that may arise in connection
27 with services sought or provided;

28 (2) Written transfer agreements with local hospitals licensed
29 under chapter 70.41 RCW, approved by the ambulatory surgical
30 facility's medical staff; (~~and~~)

31 (3) Written transfer agreements with extended stay recovery
32 centers under chapter 70.--- RCW (the new chapter created in section
33 13 of this act), approved by the ambulatory surgical facility's
34 medical staff; and

35 (4) A procedural plan for handling medical emergencies that shall
36 be available for review during surveys and inspections.

1 NEW SECTION. **Sec. 13.** Sections 1 through 10 of this act
2 constitute a new chapter in Title 70 RCW.

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