

**RCW 43.70.052 Hospital financial and patient discharge data—
Financial reports—Data retrieval—American Indian health data—
Reporting—Patient discharge data—Confidentiality and protection.**

(1)(a) To promote the public interest consistent with the purposes of chapter 492, Laws of 1993 as amended by chapter 267, Laws of 1995, the department shall require hospitals to submit hospital financial and patient discharge information, including any applicable information reported pursuant to RCW 43.70.053, which shall be collected, maintained, analyzed, and disseminated by the department. The department shall, if deemed cost-effective and efficient, contract with a private entity for any or all parts of data collection. Data elements shall be reported in conformance with a uniform reporting system established by the department. This includes data elements identifying each hospital's revenues, expenses, contractual allowances, charity care, bad debt, other income, total units of inpatient and outpatient services, and other financial and employee compensation information reasonably necessary to fulfill the purposes of this section.

(b) Data elements relating to use of hospital services by patients shall be the same as those currently compiled by hospitals through inpatient discharge abstracts. The department shall encourage and permit reporting by electronic transmission or hard copy as is practical and economical to reporters.

(c) By January 1, 2023, the department must revise the uniform reporting system to further delineate hospital expenses reported in the other direct expense category in the statement of revenue and expense. The department must include the following additional categories of expenses within the other direct expenses category:

- (i) Blood supplies;
- (ii) Contract staffing;
- (iii) Information technology, including licenses and maintenance;
- (iv) Insurance and professional liability;
- (v) Laundry services;
- (vi) Legal, audit, and tax professional services;
- (vii) Purchased laboratory services;
- (viii) Repairs and maintenance;
- (ix) Shared services or system office allocation;
- (x) Staff recruitment;
- (xi) Training costs;
- (xii) Taxes;
- (xiii) Utilities; and
- (xiv) Other noncategorized expenses.

(d) The department must revise the uniform reporting system to further delineate hospital revenues reported in the other operating revenue category in the statement of revenue and expense. The department must include the following additional categories of revenues within the other operating revenues category:

- (i) Donations;
- (ii) Grants;
- (iii) Joint venture revenue;
- (iv) Local taxes;
- (v) Outpatient pharmacy;
- (vi) Parking;
- (vii) Quality incentive payments;
- (viii) Reference laboratories;
- (ix) Rental income;

- (x) Retail cafeteria; and
- (xi) Other noncategorized revenues.

(e) (i) A hospital, other than a hospital designated by medicare as a critical access hospital or sole community hospital, must report line items and amounts for any expenses or revenues in the other noncategorized expenses category in (c) (xiv) of this subsection or the other noncategorized revenues category in (d) (xi) of this subsection that either have a value: (A) Of \$1,000,000 or more; or (B) representing one percent or more of the total expenses or total revenues; or

(ii) A hospital designated by medicare as a critical access hospital or sole community hospital must report line items and amounts for any expenses or revenues in the other noncategorized expenses category in (c) (xiv) of this subsection or the other noncategorized revenues category in (d) (xi) of this subsection that represent the greater of: (A) \$1,000,000; or (B) one percent or more of the total expenses or total revenues.

(f) A hospital must report any money, including loans, received by the hospital or a health system to which it belongs from a federal, state, or local government entity in response to a national or state-declared emergency, including a pandemic. Hospitals must report this information as it relates to federal, state, or local money received after January 1, 2020, in association with the COVID-19 pandemic. The department shall provide guidance on reporting pursuant to this subsection.

(2) In identifying financial reporting requirements, the department may require both annual reports and condensed quarterly reports from hospitals, so as to achieve both accuracy and timeliness in reporting, but shall craft such requirements with due regard of the data reporting burdens of hospitals.

(3) (a) Beginning with compensation information for 2012, unless a hospital is operated on a for-profit basis, the department shall require a hospital licensed under chapter 70.41 RCW to annually submit employee compensation information. To satisfy employee compensation reporting requirements to the department, a hospital shall submit information as directed in (a) (i) or (ii) of this subsection. A hospital may determine whether to report under (a) (i) or (ii) of this subsection for purposes of reporting.

(i) Within one hundred thirty-five days following the end of each hospital's fiscal year, a nonprofit hospital shall file the appropriate schedule of the federal internal revenue service form 990 that identifies the employee compensation information with the department. If the lead administrator responsible for the hospital or the lead administrator's compensation is not identified on the schedule of form 990 that identifies the employee compensation information, the hospital shall also submit the compensation information for the lead administrator as directed by the department's form required in (b) of this subsection.

(ii) Within one hundred thirty-five days following the end of each hospital's calendar year, a hospital shall submit the names and compensation of the five highest compensated employees of the hospital who do not have any direct patient responsibilities. Compensation information shall be reported on a calendar year basis for the calendar year immediately preceding the reporting date. If those five highest compensated employees do not include the lead administrator for the hospital, compensation information for the lead administrator shall also be submitted. Compensation information shall include base

compensation, bonus and incentive compensation, other payments that qualify as reportable compensation, retirement and other deferred compensation, and nontaxable benefits.

(b) To satisfy the reporting requirements of this subsection (3), the department shall create a form and make it available no later than August 1, 2012. To the greatest extent possible, the form shall follow the format and reporting requirements of the portion of the internal revenue service form 990 schedule relating to compensation information. If the internal revenue service substantially revises its schedule, the department shall update its form.

(4) The health care data collected, maintained, and studied by the department shall only be available for retrieval in original or processed form to public and private requestors pursuant to subsection (9) of this section and shall be available within a reasonable period of time after the date of request. The cost of retrieving data for state officials and agencies shall be funded through the state general appropriation. The cost of retrieving data for individuals and organizations engaged in research or private use of data or studies shall be funded by a fee schedule developed by the department that reflects the direct cost of retrieving the data or study in the requested form.

(5) The department shall, in consultation and collaboration with tribes, urban or other Indian health service organizations, and the federal area Indian health service, design, develop, and maintain an American Indian-specific health data, statistics information system.

(6) (a) Except as provided in subsection (c) of this section, beginning January 1, 2023, patient discharge information reported by hospitals to the department must identify patients by race, ethnicity, gender identity, sexual orientation, preferred language, any disability, and zip code of primary residence. The department shall provide guidance on reporting pursuant to this subsection. When requesting demographic information under this subsection, a hospital must inform patients that providing the information is voluntary. If a hospital fails to report demographic information under this subsection because a patient refused to provide the information, the department may not take any action against the hospital for failure to comply with reporting requirements or other licensing standards on that basis.

(b) The department must develop a waiver process for the requirements of (a) of this subsection for a hospital that is certified by the centers for medicare and medicaid services as a critical access hospital, is certified by the centers for medicare and medicaid services as a sole community hospital, or qualifies as a medicare dependent hospital due to economic hardship, technological limitations that are not reasonably in the control of the hospital, or other exceptional circumstance demonstrated by the hospital. The waiver must be limited to one year or less, or for any other specified time frame set by the department. Hospitals may apply for waiver extensions.

(c) Subject to funding appropriated specifically for this purpose, the department shall establish a process no later than October 1, 2022, for any hospital that is certified by the centers for medicare and medicaid services as a critical access hospital, is certified by the centers for medicare and medicaid services as a sole community hospital, or qualifies as a medicare dependent hospital, to apply for a grant to support updating the hospital's electronic health

records system to comply with the requirements of this subsection, subject to the following:

(i) A hospital owned or operated by a health system that owns or operates two or more hospitals is not eligible to apply for a grant under this subsection;

(ii) In considering a hospital application, the department may consider information about the hospital's need for financial support to alter the hospital's electronic health records system, including, but not limited to, demonstrated costs necessary to update the hospital's current electronic health record system to comply with the requirements in this section and evidence of need for financial assistance. The department may provide grant amounts of varying sizes depending on the need of the applicant hospital;

(iii) A hospital that receives a grant under this section must update the hospital's electronic health records system to comply with the requirements of this section before the hospital may make other changes to its electronic health records system, except for changes that are required for security, compliance, or privacy purposes; and

(iv) A hospital that receives a grant under this section must comply with subsection (a) of this section no later than July 1, 2023.

(d) The department shall adopt rules to implement this subsection (6) no later than July 1, 2022.

(7) Beginning January 1, 2023, each hospital must report to the department, on a quarterly basis, the number of submitted and completed charity care applications that the hospital received in the prior quarter and the number of charity care applications approved in the prior quarter pursuant to the hospital's charity care policy, consistent with chapter 70.170 RCW. The department shall develop a standard form for hospitals to use in submitting information pursuant to this subsection.

(8) All persons subject to the data collection requirements of this section shall comply with departmental requirements established by rule in the acquisition of data.

(9) The department must maintain the confidentiality of patient discharge data it collects under subsections (1) and (6) of this section. Patient discharge data that includes direct and indirect identifiers is not subject to public inspection and the department may only release such data as allowed for in this section. Any agency that receives patient discharge data under (a) or (b) of this subsection must also maintain the confidentiality of the data and may not release the data except as consistent with subsection (10)(b) of this section. The department may release the data as follows:

(a) Data that includes direct and indirect patient identifiers, as specifically defined in rule, may be released to:

(i) Federal, state, and local government agencies upon receipt of a signed data use agreement with the department; and

(ii) Researchers with approval of the Washington state institutional review board upon receipt of a signed confidentiality agreement with the department.

(b) Data that does not contain direct patient identifiers but may contain indirect patient identifiers may be released to agencies, researchers, and other persons upon receipt of a signed data use agreement with the department.

(c) Data that does not contain direct or indirect patient identifiers may be released on request.

(10) Recipients of data under subsection (9)(a) and (b) of this section must agree in a written data use agreement, at a minimum, to:

(a) Take steps to protect direct and indirect patient identifying information as described in the data use agreement; and

(b) Not redisclose the data except as authorized in their data use agreement consistent with the purpose of the agreement.

(11) Recipients of data under subsection (9)(b) and (c) of this section must not attempt to determine the identity of persons whose information is included in the data set or use the data in any manner that identifies individuals or their families.

(12) For the purposes of this section:

(a) "Direct patient identifier" means information that identifies a patient; and

(b) "Indirect patient identifier" means information that may identify a patient when combined with other information.

(13) The department must adopt rules necessary to carry out its responsibilities under this section. The department must consider national standards when adopting rules. [2021 c 162 § 1; 2014 c 220 § 2; 2012 c 98 § 1; 1995 c 267 § 1.]

Effective date—2014 c 220: See note following RCW 70.02.290.

Captions not law—1995 c 267: "Captions as used in this act constitute no part of the law." [1995 c 267 § 16.]

Severability—1995 c 267: "If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [1995 c 267 § 17.]

Effective dates—1995 c 267: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1995, except sections 8 through 11 of this act which shall take effect immediately [May 8, 1995]." [1995 c 267 § 18.]