

1 1400 AAS 4/9/91

2 HB 1400 - S AMD

3 By Senators Hansen, Snyder and Barr

4 Adopted 4/9/91 - Voice Vote

5 On page 3, after line 18, insert the following:

6 "NEW SECTION. Sec. 2. The legislature finds that there are
7 barriers to providing residents of rural areas with access to
8 affordable health care coverage through both public and private
9 programs. The legislature further finds that the report on these
10 barriers requested by the legislature in 1990 was prepared by the
11 insurance commissioner's committee on the availability of affordable
12 health insurance in rural areas of Washington state and declares that
13 the regulatory and voluntary actions identified in this report should
14 be pursued within the public and private sectors. The legislature
15 intends through this act to foster the development and implementation
16 of one community-based pilot project aimed at demonstrating the
17 viability of providing health care services to residents of a rural
18 area within the state."

19 "NEW SECTION. Sec. 3. A new section is added to chapter 70.175
20 RCW to read as follows:

21 In administering and making awards for rural health projects under
22 RCW 70.175.050, the secretary shall establish a process for selecting
23 and making an award to a single participant for the development,
24 design, and implementation of a project designed to provide a rural
25 health care services program to residents of a rural community.
26 Applications for rural health care services pilot programs shall
27 include only contiguous health care catchment areas of the state that

1 are designated as rural. Project funds may be used for any purposes
2 related to the development, design, implementation, or introduction of
3 a rural health care services program except that funds shall not be
4 used to directly contribute to any program reserves used to assure the
5 financial viability of the program. Final approval of a project funded
6 and authorized under this section must be obtained from the secretary
7 before final implementation. No liability may attach or otherwise
8 accrue to the state for the provision of or charges for services under
9 the rural health care services program authorized under this chapter."

10 **"Sec. 4.** RCW 70.175.020 and 1989 1st ex.s. c 9 s 702 are each
11 amended to read as follows:

12 Unless the context clearly requires otherwise, the definitions in
13 this section apply throughout this chapter.

14 (1) "Administrative structure" means a system of contracts or
15 formal agreements between organizations and persons providing health
16 services in an area that establishes the roles and responsibilities
17 each will assume in providing the services of the rural health care
18 facility.

19 (2) "Department" means the department of health.

20 (3) "Health care delivery system" means services and personnel
21 involved in providing health care to a population in a geographic area.

22 (4) "Health care facility" means any land, structure, system,
23 machinery, equipment, or other real or personal property or
24 appurtenances useful for or associated with delivery of inpatient or
25 outpatient health care service or support for such care or any
26 combination thereof which is operated or undertaken in connection with
27 a hospital, clinic, health maintenance organization, diagnostic or
28 treatment center, extended care facility, or any facility providing or

1 designed to provide therapeutic, convalescent or preventive health care
2 services.

3 (5) "Health care system strategic plan" means a plan developed by
4 the participant and includes identification of health care service
5 needs of the participant, services and personnel necessary to meet
6 health care service needs, identification of health status outcomes and
7 outcome measures, identification of funding sources, and strategies to
8 meet health care needs including measures of effectiveness.

9 (6) "Institutions of higher education" means educational
10 institutions as defined in RCW 28B.10.016.

11 (7) "Local administrator" means an individual or organization
12 representing the participant who may enter into legal agreements on
13 behalf of the participant.

14 (8) "Participant" means communities, counties, and regions that
15 serve as a health care catchment area where the project site is
16 located.

17 (9) "Project" means the Washington rural health system project.

18 (10) "Project site" means a site selected to participate in the
19 project.

20 (11) "Rural health care facility" means a facility, group, or other
21 formal organization or arrangement of facilities, equipment, and
22 personnel capable of providing or assuring availability of health
23 services in a rural area. The services to be provided by the rural
24 health care facility may be delivered in a single location or may be
25 geographically dispersed in the community health service catchment area
26 so long as they are organized under a common administrative structure
27 or through a mechanism that provides appropriate referral, treatment,
28 and follow-up.

29 (12) "Secretary" means the secretary of health.

1 (13) "Rural health care services program" means an arrangement
2 sponsored by a health care organization, municipal corporation, or
3 combination of public and private entities that provides, exclusively
4 for rural residents of its health care catchment area, access to
5 primary, acute, or secondary health care services, either by contract
6 or through the direct delivery of the services."

7 **"Sec. 5.** RCW 70.175.030 and 1989 1st ex.s. c 9 s 703 are each
8 amended to read as follows:

9 (1) The department shall establish the Washington rural health
10 system project to provide financial and technical assistance to
11 participants. The goal of the project is to help assure access to
12 affordable health care services to citizens in the rural areas of
13 Washington state.

14 (2) Administrative costs necessary to implement this project shall
15 be kept at a minimum to insure the maximum availability of funds for
16 participants.

17 (3) The secretary may appoint such technical or advisory committees
18 as he or she deems necessary consistent with the provisions of RCW
19 43.70.040. In appointing an advisory committee the secretary should
20 assure representation by health care professionals, health care
21 providers, and those directly involved in the purchase, provision, or
22 delivery of health care services as well as consumers, rural community
23 leaders, and those knowledgeable of the issues involved with health
24 care public policy. Individuals appointed to any technical advisory
25 committee shall serve without compensation for their services as
26 members, but may be reimbursed for their travel expenses pursuant to
27 RCW 43.03.050 and 43.03.060.

28 (4) The secretary may contract with third parties for services
29 necessary to carry out activities to implement this chapter where this

1 will promote economy, avoid duplication of effort, and make the best
2 use of available expertise.

3 (5) The secretary may apply for, receive, participate in, and
4 accept gifts, grants, and other payments, including property and
5 service, from any governmental or other public or private entity or
6 person, and may make arrangements as to the use of these receipts,
7 including the undertaking of special studies and other projects related
8 to the delivery of health care in rural areas.

9 (6) In designing and implementing the project the secretary shall
10 consider the report of the Washington rural health care commission
11 established under chapter 207, Laws of 1988, and for purposes of
12 section 3 of this act, the report of the committee on the availability
13 of affordable health insurance in rural areas of Washington state
14 established under chapter 271, Laws of 1990. Nothing in this chapter
15 requires the secretary to follow any specific recommendation contained
16 in ((that)) those reports except as it may also be included in this
17 chapter.

18 (7) The secretary shall appoint a special advisory committee for
19 the purpose of assisting in establishing standards, making awards,
20 designing the final project, coordinating technical assistance, and
21 providing oversight of the demonstration project authorized under
22 section 3 of this act. This committee shall include the director of
23 the medical assistance program of the department of social and health
24 services, the administrator of the state health care authority, the
25 administrator of the basic health plan, and the director of the
26 department of labor and industries, and may include any other
27 representatives deemed necessary by the secretary.

28 (8) The successful applicant for implementation of a project under
29 section 3 of this act is exempt from all provisions of Title 48 RCW
30 after the secretary makes a specific determination that the applicant:

1 (a) Has obtained an actuarial study through a consultant approved
2 by the secretary which concludes that the rural health care services
3 program is financially viable;

4 (b) Has demonstrated public support from the citizens residing
5 within the catchment area of the rural health care services program
6 through an affirmative vote on that issue presented to them at a
7 general or special election; and

8 (c) Has verified that all provider contracts within the rural
9 health care services program hold individual beneficiaries harmless for
10 charges for services arising in the event of a failure of the plan.

11 (9) The secretary, in consultation with the special advisory
12 committee authorized in subsection (7) of this section, shall evaluate
13 the project authorized under section 3 of this act. The secretary
14 shall report to the legislature and the governor within four years of
15 the initial commencement of health care service delivery. The
16 evaluation shall assess whether the program has maintained financial
17 viability, improved access to health care services, and increased
18 utilization of local health care providers. The evaluation shall also
19 include recommendations to continue or expand the program, including
20 any necessary legislative changes.

21 (10) The secretary may authorize enrollment limits to the program
22 provided such limits do not jeopardize its financial viability."

23 "NEW SECTION. Sec. 6. If specific funding for the purposes of
24 sections 2 through 5 of this act, referencing this act by bill number,
25 is not provided by June 30, 1991, in the omnibus appropriations act,
26 sections 2 through 5 of this act shall be null and void."

1 **HB 1400** - S AMD

2 By Senator

3 Adopted 4/9/91 - Voice Vote

4 On page 1, line 1 of the title, after "health;" strike the
5 remainder of the title and insert "amending RCW 70.175.050, 70.175.020
6 and 70.175.030; adding a new section to chapter 70.175 RCW; and
7 creating new sections."