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**SUBSTITUTE HOUSE BILL NO. 2771**

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**State of Washington                      52nd Legislature                      1992 Regular Session**

**By** House Committee on Appropriations (originally sponsored by Representatives Locke, Ferguson, Anderson, Wineberry, O'Brien and Leonard)

Read first time 02/11/92.

1            AN ACT Relating to county hospitals; amending RCW 36.62.110,  
2 36.62.120, 36.62.140, 36.62.150, 36.62.160, 36.62.180, and 36.62.290;  
3 adding a new section to chapter 36.62 RCW; and creating a new section.

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

5            NEW SECTION.    **Sec. 1.**            The legislature finds that county  
6 hospitals that are used as primary university teaching hospitals serve  
7 vital public interests by treating the poor and infirm and by providing  
8 clinical resources unique in the state. It is the intent of this act  
9 to restructure the governance of such hospitals to further those  
10 interests and to strengthen their economic viability.

11            **Sec. 2.**    RCW 36.62.110 and 1984 c 26 s 8 are each amended to read  
12 as follows:

1       (1) Except as provided in subsection (2) of this section, whenever  
2 any county, or any county and city jointly, or two or more counties  
3 jointly, establish a hospital for the care and treatment of the  
4 indigent, sick, injured, or infirm, under the provisions of this  
5 chapter, and such hospital is completed and ready for operation, the  
6 county legislative authority of the county in which the institution is  
7 located shall appoint thirteen persons as trustees for the institution.  
8 The thirteen trustees, together with the additional trustees required  
9 by RCW 36.62.130, if any, shall constitute a board of trustees for such  
10 hospital.

11       (2) In the case of a hospital established prior to the effective  
12 date of this 1992 act in a class AA county, the governor shall appoint,  
13 subject to confirmation by the senate, four trustees in the manner  
14 provided in RCW 36.62.120(2), and the county legislative authority  
15 shall appoint eleven trustees.

16       **Sec. 3.** RCW 36.62.120 and 1984 c 26 s 9 are each amended to read  
17 as follows:

18       (1) Except as provided in subsection (2) of this section, the first  
19 members of the board of trustees of such institution shall be appointed  
20 by the county legislative authority within thirty days after the  
21 institution has been completed and is ready for operation. The county  
22 legislative authority appointing the initial members shall appoint  
23 three members for one-year terms, three members for two-year terms,  
24 three members for three-year terms, and four members for four-year  
25 terms, and until their successors are appointed and qualified, and  
26 thereafter their successors shall be appointed for terms of four years  
27 and until their successors are appointed and qualified: PROVIDED, That  
28 the continuation of a member past the expiration date of the term shall  
29 not change the commencement date of the term of the succeeding member.

1 Each term of the initial trustees shall be deemed to commence on the  
2 first day of August following the appointment but shall also include  
3 the period intervening between the appointment and the first day of  
4 August following the appointment.

5 ~~((For an institution which is already in existence on June 7, 1984,~~  
6 ~~the county legislative authority shall appoint within thirty days of~~  
7 ~~June 7, 1984, three additional members for one year terms, two~~  
8 ~~additional members for two year terms, and two additional members for~~  
9 ~~three year terms, and until their successors are appointed and~~  
10 ~~qualified, and thereafter their successors shall be appointed for terms~~  
11 ~~of four years and until their successors are appointed and qualified:~~  
12 ~~PROVIDED FURTHER, That the continuation of an additional member past~~  
13 ~~the expiration date of the term shall not change the commencement date~~  
14 ~~of the term of the succeeding member. Each term of the initial~~  
15 ~~additional members shall be deemed to commence on the first day of~~  
16 ~~August of the year of appointment but shall also include the period~~  
17 ~~intervening between the appointment and the first day of August of the~~  
18 ~~year of the appointment.~~

19 Upon expiration of the terms of current members, the successors to  
20 current members shall be appointed for four year terms and until their  
21 successors are appointed and qualified: ~~AND PROVIDED FURTHER, That the~~  
22 ~~continuation of a successor to a current member past the expiration~~  
23 ~~date of the term shall not change the commencement date of the term of~~  
24 ~~the succeeding member. Each term of the initial successors to current~~  
25 ~~members shall be deemed to commence on the first day of August~~  
26 ~~following the expiration of a current term but shall also include the~~  
27 ~~period intervening between the appointment and the first day of August~~  
28 ~~of the year of the appointment.))~~

29 (2) In the case of a hospital established prior to the effective  
30 date of this 1992 act in a class AA county:

1       (a) The governor shall appoint two members of the board of trustees  
2 for terms of four years beginning August 1, 1992; one member for a term  
3 of three years beginning August 1, 1992; and one member for a term of  
4 four years beginning August 1, 1993. Thereafter, their successors  
5 shall be appointed for terms of four years;

6       (b) Any persons serving as members of the board on the effective  
7 date of this 1992 act may continue to serve for the remainder of the  
8 terms to which the persons were appointed. Thereafter, their  
9 successors shall be appointed for terms of four years unless the county  
10 legislative authority elects, on a one-time basis, to make any  
11 appointments for a lesser term in order to achieve more evenly  
12 staggered terms; and

13       (c) A person is not eligible to be appointed to the board of  
14 trustees after the effective date of this 1992 act if the person has  
15 previously served as a trustee for four successive terms of three years  
16 or more.

17       **Sec. 4.** RCW 36.62.140 and 1984 c 26 s 11 are each amended to read  
18 as follows:

19       In making appointments to the board of trustees, the appointing  
20 authority shall make efforts to ensure that diverse social, cultural,  
21 ethnic, racial, and economic backgrounds and perspectives are  
22 considered. The appointing authority shall seek persons with  
23 demonstrated leadership abilities and recognized experience in  
24 management, administration, planning, finance, health service delivery,  
25 consumer representation, or institutional operations. No person shall  
26 be eligible for appointment as a trustee who holds or has held during  
27 the period of two years immediately prior to appointment any salaried  
28 office or position in any office, department, or branch of the

1 government of the appointing authority or the government which  
2 established or maintained the hospital.

3 The board of trustees may submit nominations to the appointing  
4 authority or recommend those attributes, skills, or expertise that  
5 would contribute to the work of the board.

6 **Sec. 5.** RCW 36.62.150 and 1984 c 26 s 12 are each amended to read  
7 as follows:

8 (1) The county legislative authority which appointed a member of  
9 the board of trustees may remove the member for cause and in the manner  
10 provided in this section. Notice shall be provided by the county  
11 appointing authority to the trustee and the board of trustees  
12 generally. The notice shall set forth reasons which justify removal.  
13 The trustee shall be provided opportunity for a hearing before the  
14 county appointing authority: PROVIDED, That three consecutive  
15 unexcused absences from regular meetings of the board of trustees shall  
16 be deemed cause for removal of a trustee without hearing. Any trustee  
17 removed for a cause other than three consecutive unexcused absences may  
18 appeal the removal within twenty days of the order of removal by  
19 seeking a writ of review before the superior court pursuant to chapter  
20 7.16 RCW. Removal shall disqualify the trustee from subsequent  
21 reappointment.

22 (2) Members of the board of trustees appointed by the governor  
23 under RCW 36.62.110 may be removed pursuant to RCW 43.06.070.

24 **Sec. 6.** RCW 36.62.160 and 1984 c 26 s 13 are each amended to read  
25 as follows:

26 Any vacancy in the board of trustees shall be filled by appointment  
27 by the ((county—legislative)) authority making the original

1 appointment, and such appointee shall hold office for the remainder of  
2 the term of the trustee replaced.

3 **Sec. 7.** RCW 36.62.180 and 1984 c 26 s 15 are each amended to read  
4 as follows:

5 The board of trustees shall:

6 (1) Have general supervision and care of such hospitals and  
7 institutions and the buildings and grounds thereof and power to do  
8 everything necessary to the proper maintenance ~~((and))~~, operation,  
9 renovation, and capital improvement thereof within the limits of  
10 approved budgets and the appropriations authorized. Each year, the  
11 board of trustees shall submit to the county legislative authority an  
12 annual capital expenditure plan and an updated six-year capital plan;

13 (2) Elect from among its members a president and vice president;

14 (3) Adopt bylaws and rules for its own guidance and for the  
15 government of the hospital;

16 (4) Prepare annually a budget covering both hospital operations and  
17 capital projects, in accordance with the provisions of applicable law,  
18 and file such budgets with the county treasurer or if the hospital has  
19 been established by more than one county, with the county treasurer of  
20 each county, and if a city has contributed to the establishment of the  
21 hospital, with the official of the city charged by law with the  
22 preparation of the city budget; and

23 (5) File with the legislative authority of each county and city  
24 contributing to the establishment of such hospital, at a time to be  
25 determined by the county legislative authority of the county in which  
26 the hospital is located, a report covering the proceedings of the board  
27 with reference to the hospital during the preceding twelve months and  
28 an annual financial report and statement.

1       **Sec. 8.** RCW 36.62.290 and 1984 c 26 s 22 are each amended to read  
2 as follows:

3       Whenever any county, or any county and city jointly, or two or more  
4 counties jointly, establish a hospital under the provisions of this  
5 chapter, the board of trustees of the hospital is empowered, with the  
6 approval of the county legislative authority, to enter into a contract  
7 with the board of regents of a state university to provide hospital  
8 services, including management under the direction of a hospital  
9 administrator for the hospital, to provide for the rendering of medical  
10 services in connection with the hospital and to provide for the conduct  
11 of teaching and research activities by the university in connection  
12 with the hospital. Any such board of regents is empowered to enter  
13 into such a contract, to provide such hospital services, and to provide  
14 for the rendition of such medical services and for the carrying on of  
15 teaching and research in connection with such a hospital. If such a  
16 contract is entered into~~((7))~~: (1) The provisions of RCW 36.62.210 and  
17 36.62.230 shall not be applicable during the term of the contract  
18 ((and)); (2) all of the powers, duties, and functions vested in the  
19 superintendent in this chapter shall be vested in the board of  
20 trustees; and (3) one of the trustees appointed by the governor under  
21 RCW 36.62.110 may be selected from among the board of regents of the  
22 university, which trustee, notwithstanding any provisions to the  
23 contrary under any county charter, shall not by virtue of appointment  
24 as a trustee be deemed a county employee and shall be authorized to  
25 participate fully in all business of the board of trustees and in all  
26 business of the board of regents. The board of trustees shall provide  
27 for such conditions and controls in the contract as it shall deem to be  
28 in the community interest.

1        NEW SECTION.    **Sec. 9.**    A new section is added to chapter 36.62 RCW  
2 to read as follows:

3        A hospital established under this chapter is not in any manner an  
4 agency of the state and nothing in this chapter shall be construed to  
5 mean that such a hospital is a state agency or that the state is liable  
6 for the debts of or claims against the hospital.