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SENATE BILL 6077

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State of Washington

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By Senators Thibaudeau, Keiser, Kline, Franklin, Kohl-Welles, Shin, Regala, B. Sheldon, Kastama, Jacobsen, McAuliffe, Fairley, Prentice, Hargrove, Reardon and Eide

Read first time 04/16/2003. Referred to Committee on Health & Long-Term Care.

1 AN ACT Relating to patient safety; amending RCW 43.70.110 and  
2 43.70.250; adding new sections to chapter 43.70 RCW; and adding a new  
3 section to chapter 7.70 RCW.

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

5 **Sec. 1.** RCW 43.70.110 and 1993 sp.s. c 24 s 918 are each amended  
6 to read as follows:

7 (1) The secretary shall charge fees to the licensee for obtaining  
8 a license. After June 30, 1995, municipal corporations providing  
9 emergency medical care and transportation services pursuant to chapter  
10 18.73 RCW shall be exempt from such fees, provided that such other  
11 emergency services shall only be charged for their pro rata share of  
12 the cost of licensure and inspection, if appropriate. The secretary  
13 may waive the fees when, in the discretion of the secretary, the fees  
14 would not be in the best interest of public health and safety, or when  
15 the fees would be to the financial disadvantage of the state.

16 (2) Except as provided in section 3 of this act, fees charged shall  
17 be based on, but shall not exceed, the cost to the department for the  
18 licensure of the activity or class of activities and may include costs  
19 of necessary inspection.

1 (3) Department of health advisory committees may review fees  
2 established by the secretary for licenses and comment upon the  
3 appropriateness of the level of such fees.

4 **Sec. 2.** RCW 43.70.250 and 1996 c 191 s 1 are each amended to read  
5 as follows:

6 It shall be the policy of the state of Washington that the cost of  
7 each professional, occupational, or business licensing program be fully  
8 borne by the members of that profession, occupation, or business. The  
9 secretary shall from time to time establish the amount of all  
10 application fees, license fees, registration fees, examination fees,  
11 permit fees, renewal fees, and any other fee associated with licensing  
12 or regulation of professions, occupations, or businesses administered  
13 by the department. In fixing said fees, the secretary shall set the  
14 fees for each program at a sufficient level to defray the costs of  
15 administering that program and the patient safety fee established in  
16 section 3 of this act. All such fees shall be fixed by rule adopted by  
17 the secretary in accordance with the provisions of the administrative  
18 procedure act, chapter 34.05 RCW.

19 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.70 RCW  
20 to read as follows:

21 (1) The secretary shall increase the licensing fee established  
22 under RCW 43.70.110 for health care professionals and facilities  
23 designated in subsection (2) of this section by one percent of the  
24 amount of the applicable annual licensing fee. Proceeds of the patient  
25 safety fee must be dedicated to patient safety and medical error  
26 reduction efforts that have been proven to improve the quality of care  
27 provided by health care professionals and facilities.

28 (2) Health care professionals and facilities subject to the one  
29 percent patient safety fee include:

- 30 (a) Health care professionals licensed under Title 18 RCW; and
- 31 (b) Hospitals licensed under chapter 70.41 RCW, psychiatric  
32 hospitals licensed under chapter 71.12 RCW, and ambulatory diagnostic,  
33 treatment, or surgical facilities licensed under chapter 70.41 RCW.

34 (3) Patient safety fee proceeds shall be administered by the  
35 department of health, in consultation with established patient safety  
36 coalitions. Proceeds will be distributed in the form of grants, loans,

1 or other appropriate arrangements to support strategies that have been  
2 proven to reduce medical errors and enhance patient safety. In  
3 developing criteria, for the award of grants, loans, or other funding  
4 arrangements under this section, the department shall rely upon  
5 evidence-based practices to improve patient safety that have been  
6 identified and recommended by governmental and private organizations,  
7 including but not limited to:

8 (a) The federal agency for health care quality and research;

9 (b) The federal institute of medicine; and

10 (c) The joint commission on accreditation of health care  
11 organizations.

12 NEW SECTION. **Sec. 4.** A new section is added to chapter 7.70 RCW  
13 to read as follows:

14 (1) One percent of the present value of the settlement or verdict  
15 in any action for damages based upon injuries resulting from health  
16 care shall be deducted from the settlement or verdict as a patient  
17 safety fee. Proceeds of the patient safety fee will be distributed by  
18 the department of health in the form of grants, loans, or other  
19 appropriate arrangements to support strategies that have been proven to  
20 reduce medical errors and enhance patient safety as provided in section  
21 3 of this act.

22 (2) Patient safety fees shall be transmitted to the secretary of  
23 the department of health for deposit into the patient safety account  
24 established in section 6 of this act.

25 (3) The supreme court shall by rule adopt procedures to implement  
26 this section.

27 NEW SECTION. **Sec. 5.** A new section is added to chapter 43.70 RCW  
28 to read as follows:

29 The secretary may solicit and accept grants or other funds from  
30 public and private sources to support patient safety and medical error  
31 reduction efforts under RCW 43.70.110 and 43.70.250 and sections 3 and  
32 4 of this act. Any grants or funds received may be used to enhance  
33 these activities as long as program standards established by the  
34 secretary are maintained.

1        NEW SECTION.   **Sec. 6.**   A new section is added to chapter 43.70 RCW  
2   to read as follows:

3        The patient safety account is created in the custody of the state  
4   treasurer. All receipts from the fees created in section 3 of this act  
5   must be deposited into the account. Expenditures from the account may  
6   be used only for the purposes of RCW 43.70.110 and 43.70.250 and  
7   sections 3 through 5 of this act. Only the secretary or the  
8   secretary's designee may authorize expenditures from the account. The  
9   account is subject to allotment procedures under chapter 43.88 RCW, but  
10   an appropriation is not required for expenditures.

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