

HOUSE BILL REPORT

HB 2907

As Reported by House Committee On:
Health Care & Wellness

Title: An act relating to health care licensing and disciplinary boards and commissions.

Brief Description: Concerning operating agreements between the secretary of health and health care licensing and disciplinary boards and commissions.

Sponsors: Representatives Campbell, Schual-Berke, Hinkle, Green, Morrell, Simpson and Haler.

Brief History:

Committee Activity:

Health Care & Wellness: 1/31/08, 2/4/08 [DPS].

Brief Summary of Substitute Bill

- Specifies the contents of written operating agreements between the Secretary of Health and each health profession board or commission including provisions relating to personnel, budgets, rulemaking, performance measures, dispute resolution, and reviews of the agreements.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Cody, Chair; Morrell, Vice Chair; Hinkle, Ranking Minority Member; Alexander, Assistant Ranking Minority Member; Barlow, Campbell, Condotta, DeBolt, Green, Moeller, Pedersen, Schual-Berke and Seaquist.

Staff: Chris Blake (786-7392).

Background:

The responsibility for regulating health care providers is divided between the Secretary of Health (Secretary) and 16 health professions boards and commissions. Each board and commission operates under unique membership requirements and different grants of authority related to licensing and the disciplinary process. The Secretary is generally responsible for providing administrative, legal, and investigative staff and support. Three boards and

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commissions have specific statutory authority to have their own executive directors. The Secretary has sole authority to establish fees for all professions based upon the cost of administering the program.

The Secretary and the health professions boards and commissions are required to enter into operating agreements to specify the administrative procedures necessary to allow the boards and commissions to function effectively. The agreements must specify the arrangements related to administrative support activities; the development and review of the agency budget as it pertains to the board or commission; and the personnel issues affecting each board or commission. The operating agreements must be reviewed annually. Fourteen of the 16 health professions boards and commissions have entered into operating agreements with the Secretary.

In August 2007 the State Auditor's Office released a performance audit of the Department of Health's (Department) health profession's regulatory system. The report included several recommendations for legislative action. One of the recommendations was to include negotiated performance-based provisions in the written operating agreements between the Department and the boards and commissions.

Summary of Substitute Bill:

Greater specificity is added to the contents of written operating agreements as they pertain to personnel, budget, rulemaking, performance measurements, dispute resolution, and the annual review of the agreements.

Personnel

Each health profession board and commission shall hire an independent executive director who serves at the will of the board or commission. A board or commission may reach an agreement with another board or commission to share the services of a single executive director or use the Secretary to perform those functions. The executive director is exempt from civil service laws and shall have his or her salary determined by the board or commission. The executive director is responsible for hiring and managing Department staff to perform the work of the board or commission. The executive director is responsible for all administrative duties, including preparing an annual budget.

Budget

Each board or commission shall propose its own biennial budget which the Secretary must submit to the Office of Financial Management. When adopting credentialing fees, the Secretary must work with the boards and commissions to determine the appropriate fee amount.

Rules and Guidelines

The Secretary must meet with a board or commission prior to adopting a uniform rule or guideline that might impact the board or commission's licensing or disciplinary authority. If the board or commission, in consultation with the Secretary, determines that the proposed rule

or guideline will negatively impact its work, the board or commission must collaborate with the Secretary to develop alternative solutions to mitigate the impact or use a mediator through the dispute resolution process.

Performance Measures

Each board and commission, in consultation with the Secretary, must establish performance based goals on an annual basis.

Dispute Resolution

Disagreements between the Secretary and the boards and commissions must be mediated by an agreed upon third party.

Annual Review

Operating agreements must be reviewed every June. New agreements must be established by July 1 of every year. If an agreement cannot be reached, then a mediator shall be used to resolve the matter.

Substitute Bill Compared to Original Bill:

The substitute bill gives boards and commissions the options of either sharing the services of a single executive director with other boards and commissions or having the Secretary perform the functions of the executive director.

The authority of the boards and commissions to adopt separate rules or guidelines when they determine that they are affected by the rules or guidelines of the Secretary is replaced with the requirement that the boards and commissions collaborate with the Secretary to develop alternative solutions to mitigate the possible impacts of the rules or guidelines or use a mediator.

Changes are made so that the common provisions regarding personnel use uniform language for all boards and commissions.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) This bill gives the health professions boards and commissions access to the surplus of money that they have available for their use, but do not have the authority to use. The financing of the work of the boards and commissions is very important to the public and this bill better enables the boards and commissions to establish their own budgets. This bill will present a more streamlined and timely disposition of the work of the boards and commissions, including disciplinary and rulemaking activities. Independent medical boards

are the best way to discipline physicians. There is frustration over the lack of control that boards and commissions have over staffing and budgeting. The boards and commissions have a large and complex job and they need to have the tools and resources to do the job. The Medical Quality Assurance Commission has very little input into the performance and evaluations of the executive director. This bill will establish performance goals for the boards and commissions. This bill will help boards and commissions that have not been able to consult with the Secretary on rules of general applicability. This bill is a step toward better relationships between the Department and the boards and commissions.

(Concerns) The State Auditor's Office 2007 performance audit is the most current and independent assessment of the health professions regulatory system and this bill only addresses one of the recommendations addressed in that audit. The audit discussed performance management, but this bill addresses performance goals. This bill will be very costly to implement because of all of the new staff that would need to be hired. When there are bad outcomes, they are generally attributed to problems across several professions and facilities and this approach would hinder the systemic view of health professions regulation.

Persons Testifying: (In support) Representative Campbell, prime sponsor; Lori Bielinski, Washington State Chiropractic Association; Len Eddinger and Tim Layton, Washington State Medical Association; Lucy Homans, Washington State Psychological Association; Frank Hensley and Leslie Burger, Medical Quality Assurance Commission; Brad Tower, Optometric Physicians of Washington; Melissa Johnson, Physical Therapy Association of Washington; Tammie Warnke, Washington State Nurses Association; and Dedi Hitchens, Washington State Pharmacy Association.

(Concerns) Laurie Jinkins, Washington Department of Health.

Persons Signed In To Testify But Not Testifying: None.