
Health Care & Wellness Committee

HB 1567

Brief Description: Concerning licensure of health care administrators.

Sponsors: Representatives Stonier, Fosse, Salahuddin, Macri, Mena, Berry, Obras, Taylor, Reed, Stearns, Nance, Gregerson, Ortiz-Self, Hill, Scott, Farivar, Peterson, Ryu, Parshley, Cortes, Simmons, Ormsby, Doglio and Pollet.

Brief Summary of Bill

- Establishes licensing requirements for health care administrators who are: (1) nonclinical hospital managers with direct supervisory authority over clinical health care providers; and (2) nonclinical hospital directors, officers, and executives with supervisory authority for those nonclinical hospital managers who have direct supervisory authority over clinical health care providers.
- Establishes acts of unprofessional conduct specific to licensed health care administrators related to supervision and fiscal and operational decision making.

Hearing Date: 2/5/25

Staff: Chris Blake (786-7392).

Background:

Health Profession Licensing.

The Department of Health (Department) and the health professions boards and commissions regulate over 500,000 health care providers in approximately 85 different health professions. The division of regulatory responsibilities between the Department and the health professions boards and commissions varies by profession for licensing, examination, discipline, and

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rulemaking activities. The Uniform Disciplinary Act (UDA) governs disciplinary actions for all credentialed health care providers. The UDA defines acts of unprofessional conduct, establishes sanctions for those acts, and provides general procedures for addressing complaints and taking disciplinary action against a credentialed health care provider.

Hospital Governance.

The Department provides regulatory oversight of hospitals, including standards related to governance and leadership. The governing authority of each hospital must establish policies that include requirements for reporting health care providers that have had their privileges limited or terminated, informing patients of unanticipated outcomes, providing organizational management, reporting adverse events and conducting root cause analyses, defining who may give and receive patient care orders, and providing conflict resolution between the medical staff and the governing authority. In addition, the governing authority must appoint and approve medical staff and approve all bylaws and regulations adopted by the medical staff.

Hospital leaders must appoint a nurse at the executive level to direct nursing services and approve patient care policies and nursing practices. Leaders must also adopt standards of care and provide practitioner oversight for each specialty service, provide patients access to safe and appropriate care, and implement policies and procedures regarding patient care and nursing practices.

Staffing standards for each hospital are determined by the hospital's staffing committee. Staffing committees are comprised of a combination of nursing staff providing direct patient care and staff appointed by the hospital administration, including the chief financial officer, the chief nursing officers, and patient care unit directors. Beginning July 1, 2025, hospitals must implement the staffing plan and assign nurses to patient care units accordingly.

Summary of Bill:

Health care administrators are established as a new health profession licensed by the Department of Health. Beginning January 1, 2027, any person who is employed by a hospital in Washington as a health care administrator must hold a license.

The licensing requirement applies to persons employed by a hospital who are either:

- nonclinical hospital managers with direct supervisory authority over clinical health care providers and who are responsible for hiring, scheduling, evaluating, and directly supervising clinical health care providers; monitoring compliance with regulatory requirements; or developing fiscal reports for clinical units or the whole hospital; or
- nonclinical hospital directors, officers, or executives with supervisory authority over nonclinical hospital managers and who are responsible for hiring and supervising nonclinical hospital managers; providing operational oversight of the hospital or its departments; developing policies and procedures establishing standards of patient care; providing oversight of budget and financial decisions related to operations and the delivery of patient care; and ensuring that hospital policies comply with regulatory requirements.

To obtain a license as a health care administrator a person must pass an examination, complete an application form with information about the applicant's employer and the applicant's employment activities, and pay a fee. The examination must cover topics related to health care laws and regulatory standards, patient safety protocols, and health-related ethical guidelines. Licenses must be renewed annually upon completion of continuing education requirements.

The Uniform Disciplinary Act (UDA) applies to acts of unprofessional conduct by licensed health care administrators. In addition to the acts of unprofessional conduct in the UDA, licensed health care administrators may not engage in the following conduct:

- fiscal or operational decisions which results in injury to a patient or create an unreasonable risk that a patient may be harmed;
- violations of professional regulations by a health care provider for whom the health care administrator had oversight responsibilities;
- helping a licensed health care provider to practice while a patient complaint or adverse event is being investigated and harm, disability, or death of a patient occurred after the complaint or report of the adverse event;
- failure to adequately supervise staff to the extent that a patient's health or safety is at risk;
- administrative, fiscal, or operational decisions that impede a clinical health care provider from adhering to standards of practice or leads to patient harm, disability, or death; and
- fiscal or operational decisions resulting in the inability of clinical health care providers to practice with reasonable skill and safety, regardless of the occurrence of patient harm, disability, or death.

When issuing sanctions for unprofessional conduct by a licensed health care administrator, the disciplining authority must consider the extent to which the health care administrator had the ability to exercise control over the policies and financial decisions at issue. The disciplining authority may consider it a mitigating factor if the health care administrator had limited authority or discretion regarding the policy or financial decision.

Appropriation: None.

Fiscal Note: Available.

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