

# SENATE BILL REPORT

## SB 5512

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As Reported by Senate Committee On:  
Human Services, Mental Health & Housing, February 14, 2017

**Title:** An act relating to placing state hospitals under the licensing authority of the department of health.

**Brief Description:** Placing state hospitals under the licensing authority of the department of health.

**Sponsors:** Senators Becker, Cleveland and Rivers.

**Brief History:**

**Committee Activity:** Human Services, Mental Health & Housing: 2/01/17, 2/14/17 [DPS-WM, DNP].

**Brief Summary of Substitute Bill**

- Requires state hospitals to undergo activities similar to activities required of licensed hospitals by the Department of Health (DOH).
- Requires DOH to perform unannounced inspections of state hospitals at least once every 18 months and review state hospital quality improvement plans.
- Requires DOH to report deficiencies in state hospital quality improvement plans to the Center for Medicaid and Medicare Services (CMS).
- Requires DOH to undergo excellence assessments from an external quality organization at least once every two years and report the results of the assessments to the Governor and Legislature.

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**SENATE COMMITTEE ON HUMAN SERVICES, MENTAL HEALTH & HOUSING**

**Majority Report:** That Substitute Senate Bill No. 5512 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators O'Ban, Chair; Miloscia, Vice Chair; Padden and Walsh.

**Minority Report:** Do not pass.

Signed by Senators Darneille, Ranking Minority Member; Carlyle and Hunt.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Staff:** Kevin Black (786-7747)

**Background:** DOH licenses hospitals in the state of Washington. No entity may establish or maintain a hospital, or use the word hospital, without a license, except for state psychiatric hospitals and certain private psychiatric hospitals also licensed by DSHS that do not provide acute care services. To be licensed by DOH, hospitals must comply with a myriad of regulatory requirements, a subset of which are included in this legislation.

The adverse health event and incident notification and reporting system is a system established in 2006 for the reporting of events and medical errors impacting patient safety. Standards for reportable events are established by a national process. A medical facility that reports an adverse event must perform a root cause analysis of the event and describe a corrective action plan to be implemented consistent with the findings of the analysis. According to statute, DOH must receive and investigate, where necessary, adverse incident reports and provide an annual report to the Governor and Legislature on adverse incidents and events.

DOH licensing standards require hospitals and acute care facilities to establish a system for discharge planning according to written policies and procedures. DOH licensing standards also require these facilities to work cooperatively with other entities in the planning and implementation of patient discharges to long-term care services. These standards include creation of individualized discharge plans and provision of information to help patients and families make informed choices. DOH oversight must facilitate timely receipt of assessments and service authorization.

DOH maintains a toll-free telephone number for complaints related to hospital services. Licensed hospitals must post information about the DOH complaint line in an approved form and in conspicuous locations around the hospital. Hospitals must provide information about unanticipated outcomes to patients, their families, and surrogate decision makers. Health care institutions, medical facilities, ambulatory surgical facilities, and hospitals are required to maintain coordinated quality improvement programs audited by DOH.

State hospitals receive certification audits from CMS related to their use of federal funds which are performed by DOH under a contract with CMS. Until May 2016, Western State Hospital was accredited by the Joint Commission, a voluntary national accreditation program.

**Summary of Bill (First Substitute):** State hospitals must:

- report adverse events to DOH under chapter 70.56 RCW;
- meet standards for discharge planning and transitions to long-term care which apply to hospitals and acute care facilities licensed by DOH;
- post a toll-free complaint line to the DOH;
- provide information about unanticipated outcomes to state hospital patients and their families;
- undergo an unannounced inspection by DOH at least once every 18 months; and
- maintain a coordinated quality improvement program for the improvement of the quality of health care services, including:

- the establishment of one or more quality improvement committees to review services rendered at the state hospital;
- a process for reviewing credentials, capacity, conduct, and competence of medical staff and other health care providers;
- a procedure for the prompt resolution of patient grievances;
- collection and maintenance of information about experience with negative health care outcomes and injurious incidents; and
- delivery of education programs relating to quality improvement, patient safety, medication errors, injury prevention, infection control, reporting of professional misconduct, improved communication with patients, and causes of malpractice claims.

State hospitals must annually provide the quality improvement plans of each quality improvement committee to DOH. If DOH finds that a state hospital's quality improvement plan activities are insufficient, DOH must report the deficiency to CMS.

DOH must undergo excellence assessments from the National Institutes of Standards and Technology, U.S. Department of Commerce, at least once every two years with the goal of achieving a 60 percent score within seven years. The results of the assessments must be reported to the Governor and pertinent committees of the Legislature.

**EFFECT OF CHANGES MADE BY HUMAN SERVICES, MENTAL HEALTH & HOUSING COMMITTEE (First Substitute):**

- Requires DOH to undergo excellence assessments from the National Institutes of Standards and Technology, U.S. Department of Commerce, at least once every two years with the goal of achieving a 60 percent score within seven years.
- Requires the results of the assessments to be reported to the Governor and pertinent committees of the Legislature.

**Appropriation:** None.

**Fiscal Note:** Requested on January 31, 2017.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Original Bill:** *The committee recommended a different version of the bill than what was heard.* None.

**Persons Testifying:** No one.

**Persons Signed In To Testify But Not Testifying:** No one.