
SENATE BILL 6139

State of Washington

63rd Legislature

2014 Regular Session

By Senators Becker, Pedersen, and Keiser; by request of Department of Health

Read first time 01/16/14. Referred to Committee on Health Care .

1 AN ACT Relating to the protection of patient health care
2 information in the comprehensive hospital abstract reporting system;
3 and amending RCW 43.70.052.

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

5 **Sec. 1.** RCW 43.70.052 and 2012 c 98 s 1 are each amended to read
6 as follows:

7 (1) To promote the public interest consistent with the purposes of
8 chapter 492, Laws of 1993 as amended by chapter 267, Laws of 1995, the
9 department shall continue to require hospitals to submit hospital
10 financial and patient discharge information, which shall be collected,
11 maintained, analyzed, and disseminated by the department. The
12 department shall, if deemed cost-effective and efficient, contract with
13 a private entity for any or all parts of data collection. Data
14 elements shall be reported in conformance with a uniform reporting
15 system established by the department. This includes data elements
16 identifying each hospital's revenues, expenses, contractual allowances,
17 charity care, bad debt, other income, total units of inpatient and
18 outpatient services, and other financial and employee compensation
19 information reasonably necessary to fulfill the purposes of this

1 section. Data elements relating to use of hospital services by
2 patients shall be the same as those currently compiled by hospitals
3 through inpatient discharge abstracts. The department shall encourage
4 and permit reporting by electronic transmission or hard copy as is
5 practical and economical to reporters.

6 (2) In identifying financial reporting requirements, the department
7 may require both annual reports and condensed quarterly reports from
8 hospitals, so as to achieve both accuracy and timeliness in reporting,
9 but shall craft such requirements with due regard of the data reporting
10 burdens of hospitals.

11 (3)(a) Beginning with compensation information for 2012, unless a
12 hospital is operated on a for-profit basis, the department shall
13 require a hospital licensed under chapter 70.41 RCW to annually submit
14 employee compensation information. To satisfy employee compensation
15 reporting requirements to the department, a hospital shall submit
16 information as directed in (a)(i) or (ii) of this subsection. A
17 hospital may determine whether to report under (a)(i) or (ii) of this
18 subsection for purposes of reporting.

19 (i) Within one hundred thirty-five days following the end of each
20 hospital's fiscal year, a nonprofit hospital shall file the appropriate
21 schedule of the federal internal revenue service form 990 that
22 identifies the employee compensation information with the department.
23 If the lead administrator responsible for the hospital or the lead
24 administrator's compensation is not identified on the schedule of form
25 990 that identifies the employee compensation information, the hospital
26 shall also submit the compensation information for the lead
27 administrator as directed by the department's form required in (b) of
28 this subsection.

29 (ii) Within one hundred thirty-five days following the end of each
30 hospital's calendar year, a hospital shall submit the names and
31 compensation of the five highest compensated employees of the hospital
32 who do not have any direct patient responsibilities. Compensation
33 information shall be reported on a calendar year basis for the calendar
34 year immediately preceding the reporting date. If those five highest
35 compensated employees do not include the lead administrator for the
36 hospital, compensation information for the lead administrator shall
37 also be submitted. Compensation information shall include base

1 compensation, bonus and incentive compensation, other payments that
2 qualify as reportable compensation, retirement and other deferred
3 compensation, and nontaxable benefits.

4 (b) To satisfy the reporting requirements of this subsection (3),
5 the department shall create a form and make it available no later than
6 August 1, 2012. To the greatest extent possible, the form shall follow
7 the format and reporting requirements of the portion of the internal
8 revenue service form 990 schedule relating to compensation information.
9 If the internal revenue service substantially revises its schedule, the
10 department shall update its form.

11 (4) The health care data collected, maintained, and studied by the
12 department shall only be available for retrieval in original or
13 processed form to public and private requestors pursuant to subsection
14 (7) of this section and shall be available within a reasonable period
15 of time after the date of request. The cost of retrieving data for
16 state officials and agencies shall be funded through the state general
17 appropriation. The cost of retrieving data for individuals and
18 organizations engaged in research or private use of data or studies
19 shall be funded by a fee schedule developed by the department that
20 reflects the direct cost of retrieving the data or study in the
21 requested form.

22 (5) The department shall, in consultation and collaboration with
23 the federally recognized tribes, urban or other Indian health service
24 organizations, and the federal area Indian health service, design,
25 develop, and maintain an American Indian-specific health data,
26 statistics information system. (~~The department rules regarding~~
27 ~~confidentiality shall apply to safeguard the information from~~
28 ~~inappropriate use or release.))~~

29 (6) All persons subject to the data collection requirements of this
30 section shall comply with departmental requirements established by rule
31 in the acquisition of data.

32 (7) The department must maintain the confidentiality of patient
33 discharge data it collects under subsection (1) of this section.
34 Patient discharge data that includes direct and indirect identifiers is
35 not subject to public inspection and the department may only release
36 such data as allowed for in this section. Any agency that receives
37 patient discharge data under (a) or (b) of this subsection must also

1 maintain the confidentiality of the data and may not release the data
2 except as consistent with subsection (8)(b) of this section. The
3 department may release the data as follows:

4 (a) Data that includes direct and indirect patient identifiers, as
5 specifically defined in rule, may be released to:

6 (i) Federal, state, and local government agencies upon receipt of
7 a signed data use agreement with the department; and

8 (ii) Researchers with approval of the Washington state
9 institutional review board upon receipt of a signed confidentiality
10 agreement with the department.

11 (b) Data that does not contain direct patient identifiers but may
12 contain indirect patient identifiers may be released to agencies,
13 researchers, and other persons upon receipt of a signed data use
14 agreement with the department.

15 (c) Data that does not contain direct or indirect patient
16 identifiers may be released on request.

17 (8) Recipients of data under subsection (7)(a) and (b) of this
18 section must agree in a written data use agreement, at a minimum, to:

19 (a) Take steps to protect direct and indirect patient identifying
20 information as described in the data use agreement; and

21 (b) Not re-disclose the data except as authorized in their data use
22 agreement consistent with the purpose of the agreement.

23 (9) Recipients of data under subsection (7)(b) and (c) of this
24 section must not attempt to determine the identity of persons whose
25 information is included in the data set or use the data in any manner
26 that identifies individuals or their families.

27 (10) For the purposes of this section:

28 (a) "Direct patient identifier" means information that identifies
29 a patient; and

30 (b) "Indirect patient identifier" means information that may
31 identify a patient when combined with other information.

32 (11) The department must adopt rules necessary to carry out its
33 responsibilities under this section. The department must consider
34 national standards when adopting rules.

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