

Report to the Legislature

Implementation of Senate Bill 6485 and Results of the Pilot Project

January 2005



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Executive Summary

On June 10, 2004, Senate Bill 6485 became effective (Appendix A). It required the Department of Health to work with other state agencies, local building and fire agencies, the Joint Commission of Healthcare Organizations (JCAHO), and the Washington State Hospital Association (WSHA) to reduce the burden of hospital surveys and audits on hospitals. Its goal was to improve the quality and efficiency of survey and audit processes. The impetus for this bill was a report issued by the Department of Health (Appendix E) in response to a directive from Governor Locke. In June 2003, the directive ordered the department and other agencies in state government to study mechanisms to reduce the regulatory burden on hospitals.

Named along with the Department of Health (DOH) were the State Auditor's Office (SAO), the Department of Revenue (DOR), the Department of Social and Health Services (DSHS), the Board of Pharmacy (BOP), the Department of Ecology (DOE), the Office of the State Fire Marshal (SFM), and the Department of Labor and Industries (L&I).

The act required the parties to evaluate and implement several strategies to reduce the regulatory burden on hospitals by:

- Providing notice of survey and audit visits;
- Consolidating survey and audit visits;
- Coordinating separate survey and audit visits;
- Deeming parts of one agency's surveys for another;
- Using a combined entrance meeting with hospital management;
- Identifying a standard set of documents to be available for all surveys and audits; and
- Minimizing duplication of required documents.

The bill also contained specific requirements to be met by the named agencies:

- Create agency web sites to list the most frequent problems identified in hospitals and suggest strategies to address them;
- Create an anonymous evaluation of hospital survey performance to provide feedback to agencies;
- Allow four weeks advance notice of surveys (other than complaint investigations) unless prohibited by state or federal law;
- Change Fire safety codes to be consistent with Medicare standards; and
- Share information between Local Building Officials and the Department regarding the construction approval process and eliminate conflicting requirements.

Piloting Requirement

Department of Health conducted a series of four coordination meetings with representatives of all the agencies and organizations named in the legislation. This steering group evaluated the impact of other laws on participation in the pilot survey mandate and identified participants on that basis. It then evaluated options to meet the requirements, assigned tasks, and developed a general implementation strategy.

Of the agencies named in the bill, Department of Ecology was not able to participate in the survey piloting process because they have only unannounced inspections. Their unique survey requirements made deeming inappropriate as well.

Department of Social and Health Services Aging and Disability Services Administration (ADSA) was unable to participate in the coordinated piloting process directly due to a federal requirement mandating unannounced surveys. They did participate in the deeming pilot.

Department of Labor and Industries had a unique function, (investigation of elevators) that fell within the purview of the legislation.

Four pilots were designed. Each pilot took a different approach in modifying the hospital survey process.

- a. An audit pilot was designed and implemented, using the recommendations of the 2003 report to the Governor. It included four weeks notice confirmed by mail; flexibility in the timing of surveys; agreement to minimize the number of multiple visits by any one agency; request for documents in advance; and sharing of findings and results between agencies.
- b. A coordinated survey pilot involving Department of Health, Department of Health Hospital Licensing, Radiation Protection, and the Board of Pharmacy; Local Fire Officials; and the JCAHO was completed. The survey, conducted at Deaconess Medical Center in Spokane, included a simultaneous entrance conference and coordinated examination of hospital departments.
- c. A deeming pilot was conducted by DOH and DSHS Aging and Disability Services Administration at North Valley Hospital in Tonasket. It served to evaluate the viability of deeming certain survey functions of both agencies to eliminate redundancy. Also, Department of Health Emergency Medical Services and Trauma Systems (EMS&TS) and Department of Health Hospital Licensing evaluated the possibility of deeming one or another unit's work in surveying emergency room and emergency care functions.

Additionally, Labor and Industries agreed to accept local elevator inspections where such functions were performed.

- d. A focused survey pilot was conducted in November 2004 at Providence Hospital in Everett. It evaluated the effectiveness and functionality of an abbreviated hospital licensing survey by reviewing key aspects of a hospital's performance and areas identified in previous surveys which required follow-up review. It involved only Department of Health Hospital Licensing. Future focused surveys could be expanded to include elements of the coordinated survey and deeming pilot.

Findings

a. The Department of Health has determined a one year time frame is necessary to fully evaluate the audit pilot. It requires more than one audit at a hospital for analysis. Audits are infrequent and unpredictable. However, the agreement to request documents in advance of an audit has considerable potential for savings to hospitals, by eliminating the expense of last minute efforts to rapidly provide materials. Similar improvements from advance notice and flexible scheduling should also reduce expense and impact on hospitals. Any impact on state agencies will need review.

b. The coordinated survey process yielded results on survey efficiency and benefits of the joint presence of all parts of DOH and Local Fire Officials. We expect the simultaneous survey by Local Fire, DOH Hospital Licensing and the BOP to be useful in terms of consistency of enforcement and effort expended. The expressed opinion of the hospital was that the process was less intrusive than the previous piecemeal approach.

By agreement within the steering group, use of the coordinated survey was not appropriate for small hospitals. The volume of surveying personnel would require a high percentage of hospital staff to be involved and detract from patient care.

c. The deeming survey showed that housekeeping and hospital kitchen functions can be surveyed by DSHS ADSA and deemed by DOH Licensing. This will reduce the impact of surveys for hospitals with licensed long-term care facilities co-located with a community hospital.

Department of Health learned that the functions reviewed and nature of the evaluation of the hospital licensing and the EMS&TS functions do not overlap and require different skills to do a proper survey. No deeming opportunities were identified.

d. The focused survey results still need additional assessment. Some aspects of the focused survey worked well while others need improvement.

Other Requirements of the Act

a. A web-based evaluation survey for hospitals to use to evaluate any agency's survey process has been designed, is online, and has collected information.

b. Agencies are now posting to their web sites frequent problems identified in their hospital surveys along with approaches to avoid or address them.

c. Agencies permitted to do so, now give four weeks advance notice of surveys (other than investigations.)

d. The State Fire Marshal and Department of Health now work with local officials to insure that the fire safety codes required for construction are consistent with Medicare standards.

e. Department of Health has been working with each local jurisdiction to share information on the construction approval process and to assure there are no conflicts. Because each local jurisdiction must be addressed separately, this is an on-going activity.

Tasks Remaining

a. Refinement of the coordinated survey process for further piloting and eventual general implementation in large and medium hospitals.

b. Coordination and exchange of information protocols between DSHS ADSA and DOH to deem applicable surveys of kitchens and housekeeping.

c. Assessment and refinement of the focused survey process.

d. Continued review of unaddressed topics identified in the December 2003 Report to the Governor.

Reports to the legislature required:

- December 2004: report on results of the pilot process, and implementation in general;
- Annually: report on feedback received from the mandated anonymous evaluation; and
- September 1, 2004: report on the implementation of the requirement to coordinate the construction approval process and eliminate conflicts. (Appendix D)

Background

In June 2003, Governor Locke directed the heads of several key state agencies to undertake a review of the regulatory burdens placed on hospitals. This action was in response to a report issued by the Washington State Hospital Association. That undertaking, headed by the Department of Health, resulted in the report included here as Appendix E. It contained several findings and a number of recommendations for improving the regulatory environment.

Key recommendations were piloting approaches to on-site surveys that would:

- Reduce the total amount of time a hospital spends actually undergoing on-site reviews by having multiple activities survey simultaneously;
- Evaluate the use of a single entrance and exit conference for concurrent surveys;
- Allow for a deeming of surveys by other agencies in an effort to minimize the number of visits for the same activities;
- Work to reduce the number of identical documents required by survey agencies;
- Provide for advance notice of surveys where permitted by law; and
- Provide flexibility in scheduling around other events impacting a hospital.

Other recommendations put forward included:

- Adopt the same fire and life safety standards as the Medicare system;
- Establish a standardized set of hospital documents commonly required by surveying agencies that could be maintained routinely for easy access;
- Plan the scope of the inspections conducted by the Department of Health according to areas identified as needing the most attention;
- Require agencies to maintain on a web site, the “top 10” problem areas they find during their surveys;
- Create an anonymous “customer satisfaction” process to evaluate the inspection program and identify areas needing attention;
- Improve notification and communication of scheduled audits to hospitals;
- Plan and streamline audit functions to reduce multiple visits by the same agency; and
- Develop a checklist of common documents frequently requested by auditing agencies.

Based on this report, the legislature passed Senate Bill 6485, which became effective on June 10, 2004 (Appendix A). It required the Department of Health to work with other state and local building and fire agencies, the Joint Commission of Healthcare Organizations (JCAHO), and the Washington State Hospital Association (WSHA) to reduce the burden of hospital surveys or audits on hospitals, and improve the quality and efficiency of the survey process. Named with the Department of Health were the State Auditor's Office, the Department of Revenue, the Department of Social and Health Services, the Board of Pharmacy, the Department of Ecology, the Office of the State Fire Marshal, and the Department of Labor and Industries.

The act drew on the recommendations of the report and required the parties to evaluate and implement as appropriate several strategies to reduce the regulatory burden on hospitals. One or more approaches to these strategies were to be examined by piloting and subsequent evaluation. The strategies to be examined were:

- Providing notice of survey and audit visits;
- Consolidating of survey and audit visits;
- Coordinating of separate survey and audit visits;
- Deeming of one agency's visits for another;
- Using a combined entrance meeting with hospital management;
- Identifying a standard set of documents to be available for all surveys and audits; and
- Minimizing duplication of required documents.

Also contained within the bill were some specifically enacted requirements which became law. These new requirements of the named agencies were:

- Maintain an agency web site listing the most frequent problem areas identified during audits or surveys within hospitals and suggest strategies to address them;
- Provide hospitals with an anonymous feedback mechanism on survey experiences and report the results to agencies and the legislature at least annually;
- Give four weeks advance notice of surveys (other than investigations) unless prohibited by state or federal law;
- State Fire Marshal and Department of Health are to insure that fire safety codes are consistent with Medicare standards;
- Share information between local building officials and the department regarding the construction approval process and eliminate conflicting requirements.

The bill mandated reports to the legislature in three areas; two one-time reports on implementation, and one ongoing annual report.

- December 2004: report on results of the pilot process, and implementation in general (this report;)
- September 1, 2004: report on the implementation of the requirement to coordinate the construction approval process and eliminate conflicts (Appendix D;)
- Annually: report on hospital feedback received from the mandated anonymous feedback mechanism.

Section 1: The Pilot Survey Requirement

The Department of Health met with the other agencies named in the bill, which included representatives of the JCAHO, WSHA, and local officials, to identify the approach to be used for developing and conducting on-site surveys involving multiple agencies.

Early in the process the steering group agreed to view surveys and audits differently, because of the unique nature of each activity.

The Audit Pilot

All parties agreed to adopt the recommendations presented in the December 2003 Report to the Governor rather than conduct a formal pilot.

The agencies involved include:

- Office of the State Auditor
- Department of Revenue
- Department of Health and Human Services, Medical Assistance Administration

Meeting with representatives of Washington State Hospital Association (WSHA), they agreed they would begin to:

- Provide a minimum of four weeks notice prior to conducting an audit. The four weeks notice would commence on the date of first contact with the hospital;
- Mail a confirmation letter to the chief executive officer of the hospital with copies sent to its chief financial officer and the primary contact with whom the audit was scheduled;
- Exercise flexibility, whenever possible, in the timing of audits;
- Streamline their audit functions to reduce multiple visits by the same agency;
- Request specific documents, to the extent the conditions of the audit permit, in advance of arrival to minimize last minute impacts to the hospital;
- Work with hospital representatives to explore opportunities to improve mutual understanding of their activities; and
- Share results and findings with one another to reduce audit impacts.

This agreement to implement was reached in lieu of piloting as expectations for successful implementation were high. The agreement has been implemented, however, due to varying audit schedules of the agencies, no hospital has been visited by more than one agency as of this writing. Consequently, benefits to hospitals have not been determined.

Agencies Identified for Survey Pilots

The initial step in the survey pilot assessment was to identify agencies able to participate. Of the named agencies, Department of Ecology and Labor and Industries were not needed in the process.

The Department of Ecology's mandate to survey hospitals was either in an investigatory fashion, or to fulfill a federal mandate requiring unannounced survey, which are both excluded from Senate Bill 6485.

The Department of Labor and Industries (L&I) had a single function; inspection of elevators. While this function is subject to the bill, discussion identified a conflict in the standard used by L&I and local officials. Consequently, L&I identified a strategy that enabled them to defer to local officials for this function. The local implementation of the inspection was not included in the piloting process because the nature of the inspection was narrowly focused and unique in the types of hospital staff required, and the local agency involved was not named in Senate Bill 6485. See mention under Deeming Pilot.

Department of Social and Health Services ADSA was not eligible for the coordinated survey pilot because of a federal requirement for unannounced surveys. However they still had a role under the deeming concept (see below). Department of Social and Health Services ADSA is involved in only a small number of small hospitals: those with licensed long-term care facilities.

The remaining groups were considered for the pilots:

- Department of Health Hospital Licensing
- Department of Health Radiation Protection
- Department of Health Board of Pharmacy
- Department of Social and Health Services Aging and Disability Services Administration
- Local Fire Officials
- Joint Commission on Accreditation of Healthcare Organizations (JCAHO)

Joint Commission on Accreditation of Healthcare Organizations (JCAHO) agreed to participate as an observer to a state pilot, in order to identify opportunities to work together to reduce regulatory burdens.

The Coordinated Survey Pilot

Of the remaining groups, all participated in developing a pilot. As a result of discussions, they agreed to:

- Announce to a hospital their survey date at least 30 days prior.
- Share their survey schedules with each other.
- Where possible, conduct a coordinated survey together.

This group developed a pilot to conduct a single coordinated survey and an observational survey.

Design

Participants in a *coordinated survey* of Deaconess Medical Center included: the Department of Health's Hospital Licensing, Radiation Protection, Emergency Medical Services and Trauma System, and the Board of Pharmacy; Spokane City Fire Department; and the Joint Commission on Accreditation of Health Care Organizations. The survey included a combined entrance conference, coordination of survey activities within the hospital facility, and the sharing of findings. On day one, the survey "team" consisted of 15 staff from the various agencies. By day three, the number of staff had declined to 10, because four of the agencies took one day or less to conduct their survey.

In designing the pilot, it was decided by the steering committee to limit this type of survey to medium and large hospitals. Representatives of smaller facilities felt that the sheer number of survey staff from all the agencies that would need their attention was a larger impact than any benefits they would gain.

Results and Conclusions

The group identified some minor survey and information gathering duplication to be addressed in future pilots. However, the pilot showed that for the most part each agency looked at different aspects of the hospital, and do not overlap.

Deaconess Medical Center administration appreciated the coordinated effort because it concentrated state involvement into a single week. This was viewed as a validation of the approach to coordinate surveys.

As a result, the state agencies agreed to coordinate future survey dates and schedules, share information in the survey planning process, and share findings and information with each other during surveys.

Joint Commission on Accreditation of Healthcare Organizations (JCAHO) participants observed that the DOH and the JCAHO hospital licensing survey were similar in structure and process. Further collaboration with JCAHO is warranted to identify opportunities to share resources and approaches.

The Deeming Pilot

An observational survey to assess possible deeming relationships between DOH Hospital Licensing and DSHS ADSA was conducted at North Valley Hospital in Tonasket.

Design

The DOH staff observed DSHS and the State Fire Marshal conduct a hospital-based nursing home survey. The intention was to ascertain if agencies were performing functions that were redundant to one or both agencies. If so, opportunities for deeming of parts of the surveys could be piloted.

Results and Conclusions

The agencies concentrated primarily in the food service/kitchen, housekeeping and life safety code enforcement as areas with the potential to overlap. Survey staff of all agencies noted limited overlap of the survey process elsewhere. Based on a Federal Medicare requirement for DSHS ADSA to survey hospital-based nursing homes every 9 to 15 months, DOH has agreed to accept the most current DSHS ADSA survey findings for the food service/kitchen and housekeeping.

The limited duplication of life safety code enforcement surveys also provides an opportunity for Department of Health and the State Fire Marshal to share information so as to not duplicate one another's efforts.

The most significant finding for hospitals is expected to be the kitchen/housekeeping deeming process. This will result in functional areas of the hospital that Department of Health staff will not have to enter, reducing the impact of survey to the hospital. The fire and life deeming will benefit DOH, primarily. Elements of fire and life safety unique to hospitals, or not covered by the State Fire Marshal, will still have to be addressed. This will result in revisiting certain areas of the hospital already examined by the SFM. The benefits of a narrower scope and less staff time consumed will accrue to the hospital.

The Focused Survey Pilot

A concept advanced in the December 2003 Report to the Governor is a "focused survey". Under this model, the Department of Health Hospital Licensing survey is limited to certain key areas and areas where past history has indicated attention is necessary. This pilot occurred in November at Providence Hospital in Everett. Further assessment of the results is necessary, but some aspects of the focused survey worked well while others need improvement. After refinement of the Focused Survey process, there is the potential to combine it with both deeming and coordinated survey models to offer greater benefits to hospitals in terms of limiting the impacts of the regulatory process.

Section 2(2): State Agency Web Sites

Senate Bill 6485 requires agencies to establish web sites that are available to the hospital community and the public which identify the most frequent problems found during a survey or audit. Each site is also to provide information on how to either address or avoid the problems.

Below are links to the sites that have been established by agencies as required in the bill. Each agency will update their web site as conditions and problems change.

Department of Health

Hospital Licensing

http://www.doh.wa.gov/hsqa/fsl/Hospital_CitationsandCommonIssues.htm

Emergency Medical Services and Trauma System

<http://www.doh.wa.gov/hsqa/emstrauma/tsdpg1.htm>

Radiation Protection

<http://www.doh.wa.gov/ehp/rp/materials/rp-ram.htm#Hospitals>

<http://www.doh.wa.gov/ehp/rp/xray/rp-xray.htm#Hospital>
Board of Pharmacy
<https://fortress.wa.gov/doh/hpqa1/hps4/Pharmacy/whatnew.htm>
Department of Labor and Industries
<http://www.lni.wa.gov/Safety/Topics/AtoZ/Hospitals/FreqProblems.asp>
Department of Ecology
<http://www.ecy.wa.gov/hospitals.html>
Department of Revenue
<http://dor.wa.gov/content/taxes/Industry/Hospital/default.aspx>
Department of Social and Health Services
Aging and Disability Services Administration
<http://www.aasa.dshs.wa.gov/Professional/rcs/charts/>
Medical Assistance Administration)
<http://maa.dshs.wa.gov/findings>
State Auditor's Office
<http://www.sao.wa.gov>

Section 2(3): Anonymous Evaluation

An evaluation was designed to allow hospitals to anonymously critique the government survey or audit process conducted at their facility. The evaluation was created to look at the process in terms of quality, efficacy and the extent to which it supported improved patient care and compliance with state law. It provides government agencies with anonymous, unfiltered information to improve hospital regulation.

The evaluation was created for survey and audits for the Department of Health including Hospital Licensing, Board of Pharmacy, Radiation Protection, and Office of EMS and Trauma. It was also created for use by the Department of Social and Health Services, Medical Assistance Administration and Aging and Disability Services Administration; the Department of Revenue; Washington State Auditor; Washington State Patrol; Office of the Fire Marshall; the Department of Ecology; and the Department of Labor and Industries.

The evaluation became available to hospitals in July 2004. It is available on the internet. At the end of each survey or audit, hospital administrators are given instructions on how to find the survey and complete it.

All of the six responses received have evaluated the Department of Health Hospital Licensing. Results indicate they are performing well. Please see Appendix C for the complete response.

Section 3: Consistency with Medicare Fire and Life Safety Standards

Section 3 amends RCW 70.41.080, which establishes the authority for creating, approving and enforcing standards for fire protection with respect to licensed hospitals with the State Fire Marshal's office of the Washington State Patrol (WSP) and the

Department of Health (DOH). The amendment requires that all applicable fire protection standards be consistent with standards adopted by the federal Centers for Medicare and Medicaid Services (CMS). The DOH and WSP have relied on these standards during the construction plan review and facility inspection processes.

The fire protection standards adopted by CMS are promulgated by the National Fire Protection Association (NFPA). These standards are referenced in the state adopted building construction codes and the rules adopted by DOH and SFM. Inconsistencies exist between the versions referenced within the rules adopted by the DOH, SFM, CMS, and the State Building Code Counsel because the timing of the rule adoption process has not been coordinated across state, federal, and local governments. When inconsistencies are identified, DOH and WSP have agreed to work with local building officials to implement solutions that will result in full consistency with the current CMS standards.

Section 4: Coordination with State Fire Marshal & Local Fire Officials

In compliance with this section, DOH has implemented a process to notify the State Fire Marshal and the local fire jurisdiction at least four weeks prior to conducting a licensing survey. As part of this notification, both entities are invited to participate with Department of Health in conducting the fire life safety component of the licensing survey. To date, the Longview City Fire Marshal has participated with department staff during the Peace Health St. John Medical Center survey. The Spokane Fire Marshal participated in the coordinated survey pilot at Deconness Hospital in Spokane. All other jurisdictions have chosen not to participate. In addition to inviting participation with department staff, DOH sends the SFM and local fire official a copy of our survey findings relating to fire life safety. As required by the act, this is now a normal part of the survey process.

Section 5: Coordination of Construction Review Processes

Section 5 requires DOH to coordinate its hospital construction review process with other state and local agencies that have similar review responsibilities

The Department of Health held coordinating meetings with L&I, the SFM, and the Washington Association of Building Officials, which represents local governments. All of these agencies recognized the value in coordinating their respective review processes. The group agreed to eliminate duplicative review whenever possible, and develop cross agency information reporting systems which will eliminate inconsistencies or conflicts between agencies.

The Washington Association of Building Officials, while not representing all local jurisdictions, is very supportive of the coordinated review approach and will encourage its membership to work with Department of Health in the efforts to coordinate the construction review process. Each local authority having jurisdiction uses varying approaches to review construction projects. Department of Health recognizes the diversity of approaches, therefore the department is working to identify how to work best

with each local jurisdiction. It is developing processes to coordinate reviews within each jurisdiction. Department of Health is providing each local jurisdiction with a comprehensive set of plan review comments for each project reviewed within its jurisdiction.

The Department of Health and the State Fire Marshal are formalizing the processes for review of fire detection and suppression systems review. The agencies have agreed that DOH is the lead agency for coordinating these reviews with the hospitals. The State Fire Marshal will be the lead agency for conducting and coordinating the reviews with local fire officials, and will develop systems which eliminate duplicative review.

The Department of Health and Labor and Industries (L&I) have agreed that L&I is the lead agency for review of electrical and elevator systems in those local jurisdictions which do not perform these reviews. Department of Health and Labor and Industries have agreed to share relevant plan review information between agencies.

As stated above, DOH is working with local jurisdictions performing electrical plan review and is developing processes to eliminate duplicative review. Department of Health is also providing local jurisdictions with relevant information derived from its electrical plan review.

Conclusions

The piloting process revealed several opportunities to reduce the impact of the regulatory process on hospitals.

- a. A single survey event involving at least four previously uncoordinated surveys can be conducted efficiently. This will require more administrative effort for agencies to schedule, but will be offset by efficiencies in sharing information, reduced scopes of review and identification of efficiency improvements. Hospitals will benefit from fewer intrusions, fewer conflicting observations and less expenditure of staff time.
- b. Deeming presents some limited opportunities. The deeming of housekeeping and kitchen surveys only applies to a very limited number of hospitals. Similarly, the use by L&I of local elevator inspections is limited to large metropolitan areas.
- c. The auditing process is expected to result in significant improvements from the perspective of hospitals. Advance notice, flexibility of scheduling and the opportunity to collect needed materials will provide significant relief from the burden of an audit.
- d. Coordination of the review of construction plans is problematic due to the large number of jurisdictions involved, and the variety of processes employed and standards followed. Efforts are continuing, and will require constant adjustment as jurisdictions change practices or adopt different standards. This applies to both the requirement to insure fire safety standards are consistent with CMS as well as to the overall coordinated review of plans.

e. Coordination is already occurring. This reduces conflicting findings and workload of all agencies involved. The administrative overhead of coordination will be offset by the benefits, including reduced regulatory burden.

Next Steps

There is a great deal of effort remaining. Further pilots are needed to fully assess all the advantages of joint surveys. The value is established, but the conclusions are still accruing.

The joint scheduling of hospital surveys should become a routine business practice of the agencies involved. This is expected to occur.

In order to assess the audit pilot for effectiveness and value, Department of Health will work with the Washington State Hospital Association and agencies involved to develop a feedback mechanism and a group process to assess and act on the data acquired.

When the December 2003 Report to the Governor was completed, a number of “Future Considerations” were left to be addressed. Following the 2005 legislative session, Department of Health plans to bring together a group of technical experts in the areas suggested.

Department of Health plans to continue dialog with JCAHO to explore opportunities to partner and exchange information. Such a process is likely to lead to more consistency in guidance.

Appendix A

Text of Sections 1 – 5 of Senate Bill 6485

Sections 1 - 5 Of Senate Bill 6485

AN ACT Relating to improving the regulatory environment for hospitals; amending RCW 70.41.080, 70.41.120, 70.38.105, and 70.44.240; adding new sections to chapter 70.41 RCW; and creating a new section.

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

NEW SECTION. Sec. 1.

(1) The department of health, in cooperation with the Washington state hospital association, shall oversee a pilot project to implement and evaluate strategies to reduce the burden on hospitals, and improve the quality and efficiency, of hospital surveys or audits.

(2) The pilot project shall also include the state auditor's office, the department of revenue, the department of social and health services, the state board of pharmacy, the department of ecology, the office of the state fire marshal, the department of labor and industries, local building and fire officials, and the joint commission on accreditation of health care organizations.

(3) Strategies to be implemented and evaluated by the pilot project include, but are not limited to, providing notice of survey and audit visits, consolidation of survey and audit visits, coordination of separate survey and audit visits, deeming of one agency's visits for another, using a combined entrance meeting with hospital management, identifying a standard set of documents to be available for all surveys and audits, and minimizing duplication of required documents.

(4) The department of health shall report to the legislature by December 1, 2004, regarding the results of the pilot project and the strategies identified for adoption on a statewide basis to improve the regulatory environment for hospitals while assuring the safety and well-being of patients and full compliance with relevant state and local laws.

NEW SECTION. Sec. 2. A new section is added to chapter 70.41 RCW to read as follows:

(1) Unless the context clearly requires otherwise, the definitions in this subsection apply throughout this section.

(a) "Agency" means a department of state government created under RCW 43.17.010 and the office of the state auditor.

(b) "Audit" means an examination of records or financial accounts to evaluate accuracy and monitor compliance with statutory or regulatory requirements.

(c) "Hospital" means a hospital licensed under chapter 70.41 RCW.

(d) "Survey" means an inspection, examination, or site visit conducted by an agency to evaluate and monitor the compliance of a hospital or hospital services or facilities with statutory or regulatory requirements.

(2) By July 1, 2004, each state agency which conducts hospital surveys or audits shall post to its agency web site a list of the most frequent problems identified in its hospital surveys or audits along with information on how to avoid or address the identified problems, and a person within the agency that a hospital may contact with questions or for further assistance.

(3) By July 1, 2004, the department of health, in cooperation with other state agencies which conduct hospital surveys or audits, shall develop an instrument, to be provided to every hospital upon completion of a state survey or audit, which allows the hospital to anonymously evaluate the survey or audit process in terms of quality, efficacy, and the extent to which it supported improved patient care and compliance with state law without placing an unnecessary administrative burden on the hospital. The evaluation may be returned to the department of health for distribution to the appropriate agency. The department of health shall annually compile the evaluations in a report to the legislature.

(4) Except when responding to complaints or immediate public health and safety concerns or when such prior notice would conflict with other state or federal law, any state agency that provides notice of a hospital survey or audit must provide such notice to the hospital no less than four weeks prior to the date of the survey or audit.

Sec. 3. RCW 70.41.080 and 1995 c 369 s 40 are each amended to read as follows: Standards for fire protection and the enforcement thereof, with respect to all hospitals to be licensed hereunder shall be the responsibility of the chief of the Washington state patrol, through the director of fire protection, who shall adopt, after approval by the department, such recognized standards as may be applicable to hospitals for the protection of life against the cause and spread of fire and fire hazards. Such standards shall be consistent with the standards adopted by the federal centers for medicare and medicaid services for hospitals that care for medicare or medicaid beneficiaries. The department upon receipt of an application for a license, shall submit to the director of fire protection in writing, a request for an inspection, giving the applicant's name and the location of the premises to be licensed. Upon receipt of such a request, the chief of the Washington state patrol, through the director of fire protection, or his or her deputy, shall make an inspection of the hospital to be licensed, and if it is found that the premises do not comply with the required safety standards and fire regulations as adopted pursuant to this chapter, he or she shall promptly make a written report to the hospital and to the department listing the corrective actions required and the time allowed for accomplishing such corrections. The applicant or licensee shall notify the chief of the Washington state patrol, through the director of fire protection, upon completion of any corrections required by him or her, and the chief of the Washington state patrol, through the director of fire protection, or his or her deputy, shall make a reinspection of such premises. Whenever the hospital to be licensed meets with the approval of the chief of the Washington state patrol, through the director of fire protection, he or she shall submit to the department a written report approving the hospital with respect to fire protection, and such report is required before a full license can be issued. The chief of the Washington state patrol, through the director of fire protection, shall make or cause to be made inspections of such hospitals at least once a year.

In cities which have in force a comprehensive building code, the provisions of which are determined by the chief of the Washington state patrol, through the director of fire protection, to be equal to the minimum standards of the code for hospitals adopted by the chief of the Washington state patrol, through the director of fire protection, the chief of the fire department, provided the latter is a paid chief of a paid fire department, shall make the inspection with the chief of the Washington state patrol, through the director of fire protection, or his or her deputy and they shall jointly approve the premises before a full license can be issued.

Sec. 4. RCW 70.41.120 and 1995 c 282 s 4 are each amended to read as follows: The department shall make or cause to be made at least yearly an inspection of all hospitals. Every inspection of a hospital may include an inspection of every part of the premises. The department may make an examination of all phases of the hospital operation necessary to determine compliance with the law and the standards, rules and regulations adopted thereunder. Any licensee or applicant desiring to make alterations or additions to its facilities or to construct new facilities shall, before commencing such alteration, addition or new construction, comply with the regulations prescribed by the department. No hospital licensed pursuant to the provisions of this chapter shall be required to be inspected or licensed under other state laws or rules and regulations promulgated thereunder, or local ordinances, relative to hotels, restaurants, lodging houses, boarding houses, places of refreshment, nursing homes, maternity homes, or psychiatric hospitals. To avoid unnecessary duplication in inspections, the department shall coordinate with the department of social and health services, the office of the state fire marshal, and local agencies when inspecting facilities over which ~~both agencies have~~ each agency has jurisdiction, the facilities including but not necessarily being limited to hospitals with both acute care and skilled nursing or psychiatric nursing functions. The department shall notify the office of the state fire marshal and the relevant local agency at least four weeks prior to any inspection conducted under this section and invite their attendance at the inspection, and shall provide a copy of its inspection report to each agency upon completion.

NEW SECTION. Sec. 5. A new section is added to chapter 70.41 RCW to read as follows:

(1) The department shall coordinate its hospital construction review process with other state and local agencies having similar review responsibilities, including the department of labor and industries, the office of the state fire marshal, and local building and fire officials. Inconsistencies or conflicts among the agencies shall be identified and eliminated. The department shall provide local agencies with relevant information derived from its construction review process.

(2) By September 1, 2004, the department shall report to the legislature regarding its implementation of subsection (1) of this section.

Appendix B

Agencies, Activities, and Organizations Involved

Agencies, Activities and Organizations Involved

Agency or Activity	Representatives
Department of Health	
Facilities and Services Licensing	Gary Bennett Byron Plan Bart Eggen
Emergency Medical Services & Trauma System	Kathy Schmidt
Health Systems Quality Assurance	Pam Lovinger
Radiation Protection	Terry Frazee
Board of Pharmacy	Richard Morrison
Department of Ecology	Stuart Clark
Office of the State Auditor	Kelly Collins
Department of Social and Health Services	
Medical Assistance Administration	Jeffery Thompson, MD Mike Foisy
Aging and Disability Services Administration	Pat Lashway Linda Ronco Karen Nodolf Nancy Tyson
Washington State Patrol Office of the State Fire Marshall	Anjela Foster Chris Jensen
Department of Revenue	Joanne Gordon Dennis Malone
Department of Labor and Industries	Elizabeth Smith Dorothy Stanlaske
The Washington State Hospital Association	Brenda Suiter
The Joint Commission for the Accreditation of Healthcare Organizations	Karen Ryan
Harborview Medical Center	Paula Minton-Foltz Ed Langdon K. Hare Clay Ciolek Elise Chaylet
Island Hospital	Tom Batz
Everett Fire Department	Warren Burns
Evergreen Health Care	Chuck Davis
Inland Northwest Health Services	Don Kilgore
Swedish Medical Center	Marianne Klaas
Fred Hutchinson Cancer Research Center	Jim Mead
Providence Everett Medical Center	Bud McIrvin

Appendix C

Anonymous Survey

Evaluation of the Hospital Survey or Audit Customer Satisfaction Survey

The evaluation became available to hospitals in July 2004. Six responses have been received. All six evaluated the Department of Health, Hospital Licensing.

Results

Did you receive four weeks prior notice?

Five responses indicated they received four weeks notice.

Were the standards and codes applied consistently throughout the survey?

Six responses stated yes.

Was the application of the standards and codes consistent with the way other agencies apply the same standards and codes?

Five responses stated yes. One stated not applicable.

Did you receive onsite consultation and advice?

Six responses stated yes.

Did the survey result in any deficiencies or findings?

Six responses stated yes.

Were the deficiencies or findings explained to you?

Six responses stated yes.

On a scale of 1-5, 1 being highly inaccurate and 5 being highly accurate: How accurately do you believe the findings or deficiencies reflect your hospital's compliance with the regulations?

1 – 0

2 – 0

3 – 0

4 – 2

5 – 4

On a scale of 1-5, 1 being very poor and 5 being very good: Please rate the conduct of the survey team on the following

Courteousness: Six responses chose 5, very good.

Subject Knowledge Six responses chose 5, very good.

Helpfulness Six responses chose 5, very good.

Fairness Six responses chose 5, very good.

Appendix D

September 1, 2004 Report to the Legislature
Regarding Implementation of Section 5

August 31, 2004

The Honorable Alex Deccio, Chair
Senate Health & Long-Term Care Committee
Insurance Building, Room 213A
Post Office Box 40482
Olympia, Washington 98504-0482

Dear Senator Deccio:

The purpose of this letter is to report to the legislature on the progress of implementing the requirements of Senate Bill 6485, improving the regulatory environment for hospitals. The bill requires the Department of Health (DOH), in cooperation with the Washington State Hospital Association, to develop processes which reduce the regulatory burden of hospitals. Generally, Sections 1-4 require implementation of strategies that provide, notice, consolidation, coordination, and consistency of standards for hospital inspections. Specifically, Section 5 requires DOH coordinate its hospital construction review process with other state and local agencies that have similar review responsibilities and report to the legislature by September 1, 2004 on our progress.

The Department of Health held coordinating meetings with Department of Labor and Industries (L&I), the Office of the State Fire Marshal (SFM), and the Washington Association of Building Officials, which represents local governments. All of these agencies recognized the value in coordinating their respective review processes. We have agreed to eliminate duplicative review whenever possible, and develop cross agency information reporting systems which will eliminate inconsistencies or conflicts between agencies.

The Washington Association of Building Officials, while not representing all local jurisdictions, is very supportive of the coordinated review approach and will encourage their membership to work with DOH in our efforts to coordinate construction review process. Each local authority having jurisdiction uses varying approaches to review of construction projects. DOH is identifying how to best work with each local jurisdiction and is developing processes for ensuring our understanding of how to coordinate the review within each jurisdiction. DOH is providing each local jurisdiction with a comprehensive set of plan review comments for each project reviewed within their jurisdiction.

Senator Deccio
Page 2
August 31, 2004

The Department of Health and the SFM are formalizing the processes for review of fire detection and suppression systems review through an inter-agency agreement. The agencies have agreed that DOH is the lead agency for coordinating these reviews with the hospitals. The SFM will be the lead agency for conducting and coordinating the reviews with local fire officials, and will develop systems which eliminate duplicative review.

The Department of Health and L&I have agreed that L&I is the lead agency for review of electrical and elevator systems in those local jurisdictions which do not perform these reviews. DOH and L&I have agreed to share relevant plan review information between agencies regarding these reviews.

The Department of Health is working closely with local jurisdictions that do perform electrical plan review, and DOH is developing processes which eliminate duplicative review. DOH is also providing local jurisdictions with relevant information derived from the electrical plan review.

In summary, DOH, L&I, and SFM, have identified those overlapping areas of responsibilities for construction review processes. These agencies have acknowledged that local agencies also have overlapping responsibilities for reviewing construction of hospitals. The state agencies have informally implemented strategies which will eliminate unnecessary duplicative reviews and are formalizing these strategies through inter-agency agreements. DOH is providing local agencies with relevant information derived from its construction review process.

If you have any questions, please call Bart Eggen at (360) 236-2960.

Sincerely,

/s/
Gary Bennett
Director, Facilities and Services Licensing

CC: Members, Health and Long Term Care Committee
Brenda Suiter, Washington State Hospital Association

Appendix E

December, 2003 Progress Report to the Governor
Hospital Onsite Survey Coordination Workgroup

Progress Report to the Governor

Hospital Onsite Survey Coordination Workgroup

December 2003

For more information or additional
copies of this report contact:

Washington State Department of Health
Health Systems Quality Assurance
Office of the Assistant Secretary
PO Box 47850
Olympia, Washington 98504-7850

Phone: (360) 236-4605
Fax: (360) 236-4626

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Letter from Governor Locke to Workgroup

GARY LOCKE
Governor

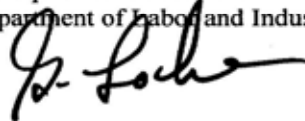


STATE OF WASHINGTON
OFFICE OF THE GOVERNOR

P.O. Box 40002 • Olympia, Washington 98504-0002 • (360) 753-6780 • www.governor.wa.gov

June 3, 2003

TO: Dennis Braddock, Secretary, Department of Social and Health Services
Mary Corso, State Fire Marshall
Tom Fitzsimmons, Director, Department of Ecology
Leo Greenawalt, President, Washington State Hospital Association
William Rice, Acting Director, Department of Revenue
Mary Selecky, Secretary, Department of Health
Paul Trause, Director, Department of Labor and Industries

FROM: Gary Locke, Governor 

SUBJECT: Hospital Onsite Survey Coordination Workgroup

I am pleased to formally endorse the formation of a workgroup to coordinate and streamline state government approaches to hospital surveys and audits. This cooperative public and private effort will improve the business environment for hospitals, while continuing to ensure the quality and safety of hospital-based care.

I am formalizing our commitment to the Washington State Hospital Association (WSHA) with six key state agencies: the Departments of Health, Ecology, Labor and Industries, Revenue, Social and Health Services, and the State Fire Marshall, to identify and pursue efficiencies where possible. Each will select a representative to participate in the workgroup along with WSHA and attend the kick-off event on Tuesday, June 3rd.

The group will use WSHA's recent report, *How Regulations Are Overwhelming Washington Hospitals*, as a foundation in beginning its work. Key priorities include exploring ways to streamline the frequency and duration of onsite survey activities, improving hospital notification when possible, and fostering greater coordination and less duplication of efforts. Although the focus will be on hospital-based surveys, it will also complement the Washington Healthcare Forum's commitment to reducing redundancies and unnecessary paperwork within the health care system. It also formally recognizes the important role that the state government must play in supporting the private sector's initiative to better its business practices.

I am especially pleased that these state agencies and WSHA have voluntarily joined together to make system improvements. I look forward to receiving a progress report from the workgroup later this fall.



Hospital Onsite Survey Coordination Workgroup Memorandum
June 3, 2003
Page 2

cc: Gary Bennett, Facilities and Services, Department of Health
Grant Chester, Board of Pharmacy, Department of Health
Stu Clark, Department of Ecology
Paulette Golden, Department of Labor and Industries
Patty Hayes, Department of Health
Carol Jolly, Governor's Executive Policy Office
Pat Lashway, Aging and Disability Services Administration, Department of
Social and Health Services
Kathy Leitch, Aging and Disability Services Administration, Department of
Social and Health Services
Jim Munro, Department of Revenue
Mich'l Needham, Governor's Executive Policy Office
Bryon Plan, Facilities and Services, Department of Health
Doug Porter, Medical Assistance Administration, Department of Social and
Health Services
Tom Rice, Medical Assistance Administration, Department of Social and
Health Services
Kathy Schmidt, Department of Health
Arden Scroggs, Department of Health
Julie Sexton, Department of Revenue
Sue Shoblom, Department of Health
Brenda Sutor, Washington State Hospital Association
Lisa Thatcher, Washington State Hospital Association

Executive Summary

On June 3, 2003, Governor Gary Locke endorsed the formation of a Hospital Onsite Survey Coordination Workgroup comprised of representatives from the Washington State Hospital Association, the Washington State Association of Fire Marshals, the Departments of Health, Ecology, Labor and Industries, Revenue, and Social and Health Services, and the Washington State Patrol – Office of the State Fire Marshal.

The purpose of the workgroup was “to coordinate and streamline state government approaches to hospital surveys and audits...exploring ways to streamline the frequency and duration of onsite survey activities, improving hospital notification when possible, and fostering greater coordination and less duplication of efforts.”

Following an initial meeting of the broad workgroup, members were divided into three subcommittees that would focus their efforts on patient care, fiscal, and physical plant related surveys and inspections. The subcommittees, consisting of representatives from state agencies as well as large, small, rural and urban hospitals, worked independently to address issues.

The chair of the Patient Care Subcommittee was Sue Shoblom of the Department of Health; the chair of the Fiscal Subcommittee was Julie Sexton of Department of Revenue; and the chair of the Physical Plant Subcommittee was Mary Corso, Office of the State Fire Marshal.

Scope

Ground rules were identified during the initial meeting of the committee and it was determined that initial licensing inspections would not be effected by the recommendations contained within this document. In addition, recommendations would not effect long term care inspections (nursing homes), complaint inspections, inspections that were the result of an emergent condition such as a fire or hazardous material incident, inspections of separately licensed facilities that are co-located with a hospital such as boarding homes or child day cares, or inspections required by federal regulation.

RECOMMENDATIONS

Patient Care Subcommittee:

1. Conduct a “pilot project” in 2004 that would:

- **Be carried out with the cooperation of the Washington State Hospital Association (notably helping to identify volunteer hospitals).**
- **Determine whether ideas to coordinate, combine and deem will actually work without any adverse consequences.**

- Test various options, such as
 - Consolidation of survey visits
 - Coordination of separate survey visits
 - “Deeming” of one agency’s visit for another’s, at least in part
 - Utilizing a combined entrance meeting with hospital management
 - Minimizing duplication of documents required
2. Establish a standardized set of commonly requested hospital documents – specifically items such as policies and procedures, credential verifications and human resources documents -- that would be currently maintained for easy access by state agencies.
 3. Plan the scope of the inspections conducted by the Department of Health (including facilities licensing, radiation protection, pharmacy) according to areas identified as needing the most attention.
 4. In connection with Recommendation 3 above, agencies should post to a readily available website, the “top 10” problem areas they are finding in their surveys. This would allow hospitals to review their own operations in those areas ahead of any survey.
 5. Create an anonymous “customer satisfaction” process, possibly using a survey instrument submitted to a 3rd party, that would evaluate the inspection program and identify areas needing attention.

Fiscal Subcommittee:

1. Each fiscal subcommittee agencies represented on the fiscal sub-committee agreed to amend its audit procedures to include the following instructions:
 - Provide a minimum of four weeks notice prior to conducting an audit. The four weeks notice commences on the date of first contact with the hospital.
 - Mail a confirmation letter to the Chief Executive Officer of the hospital with copies sent to its Chief Financial Officer and the primary contact that arranged the audit schedule.
 - Agencies would be flexible, whenever possible, in the timing of their audits.
2. Each fiscal subcommittee agencies represented on the fiscal sub-committee agreed that:
 - Improved notification and communication of scheduled audits to hospitals would lead to better coordination.
 - Each agency represented on the fiscal sub-committee would streamline its audit functions to reduce multiple visits by the same agency.

3. Each fiscal subcommittee agencies represented on the fiscal sub-committee agreed to develop a checklist of common documents frequently requested by the agencies within the Fiscal Subcommittee by December 1, 2003.
4. Fiscal subcommittee agencies represented on the fiscal sub-committee and hospitals agreed to explore opportunities to better educate each other about their activities.

Physical Plant Subcommittee:

1. Adopt the federally mandated edition of fire codes as determined by the Center for Medicare and Medicaid Services (CMS) and federal statute.
 - The Department of Health, Department of Labor and Industries, Office of the State Fire Marshal, Department of Social and Health Services, and Department of Community Trade and Economic Development (State Building Code Council) should work collaboratively to update and synchronize existing rules (WACs) pertaining to fire and building code adoption.
2. A single agency should be identified as responsible for fire safety related issues, and a single agency should be identified for other physical plant inspections, necessary to meet Department of Health, Medicare and Medicaid licensing requirements.
3. To reduce the cycle of inspections by multiple agencies, other surveying/inspecting agencies' inspections should be recognized as valid annual surveys/inspections when they are consistent in nature, requirements, and practices.
4. The Department of Health should work collectively when multiple agencies, including the Department of Labor and Industries, local building or fire officials, or Office of the State Fire Marshal, are tasked with plan review or construction acceptance and testing. It is further recommended that the Department of Health work collectively with local building officials when completing plan review projects, and with the Department of Labor and Industries when reviewing electrical installations.
5. State agencies should notify local jurisdictions of plan review and inspections that are being completed within the local authorities area of jurisdiction, and copies of surveys/inspections should be provided to these local jurisdictions upon completion of the survey/inspection. State agencies shall make every effort to include the local jurisdiction during the survey/inspection.
6. The Physical Plant Subcommittee should become an ongoing Technical Advisory Group (TAG) that will meet periodically.

FULL REPORT

Introduction

On June 3, 2003, Governor Gary Locke endorsed the formation of a Hospital Onsite Survey Coordination Workgroup comprised of representatives from the Washington State Hospital Association, the Washington State Association of Fire Marshals, the Departments of Health, Ecology, Labor and Industries, Revenue, and Social and Health Services, and the Washington State Patrol – Office of the State Fire Marshal.

The purpose of the workgroup was “to coordinate and streamline state government approaches to hospital surveys and audits...exploring ways to streamline the frequency and duration of onsite survey activities, improving hospital notification when possible, and fostering greater coordination and less duplication of efforts.”

Process

Prior to the first meeting, state agencies were asked to provide basic information about the scope and statutory basis of their survey programs. The information was combined into a single matrix (Appendix A) to assist participants in understanding one another’s jurisdiction and purpose. Following an initial meeting of the broad workgroup, members were divided into three subcommittees that would focus their efforts on patient care, fiscal, and physical plant related surveys and inspections. The subcommittees, consisting of representatives from state agencies as well as large, small, rural and urban hospitals, worked independently to address issues. Appendix B lists subcommittee members.

SUBCOMMITTEE REPORTS ON PROCESS AND FINDINGS

Patient Care Subcommittee Process

The Patient Care Subcommittee held meetings on June 3, 2003, June 19, 2003, July 9, 2003, and September 4, 2003. Notes and preliminary reports were circulated between meetings. Hospital representatives conducted informal surveys to gather additional information and ensure that issues for large, small, rural and urban hospitals were represented.

A valuable portion of the meetings was spent learning more about one another, why particular methods were employed, and what was seen of value by each of the parties. Early on, the group brainstormed a list of options to improve the state inspection process. As meetings progressed, the list was refined (Appendix C).

Finally, the group prioritized its top recommendations. Although final recommendations in this report do not include all of the options, the committee did not mean to imply that these alternatives should not be considered in the future. The emphasis was on what the group felt could be more easily accomplished in the short-term, and what needed to be explored first, before more definitive solutions were permanently established.

Fiscal Subcommittee Process

The Fiscal Subcommittee held meetings on June 3, 2003 and July 31, 2003. At the first meeting, the subcommittee members brainstormed ideas to respond to the concerns expressed by hospitals. A list of proposed recommendations was developed for the members to review and discuss with their respective organizations. Additionally, the hospital associations conducted informal surveys to gather additional feedback from their members. The second meeting was held to confirm the recommendations to be included in this report.

With one exception, the recommendations can be implemented by the agencies quickly and without additional resources. The development of the checklist of documents will require additional discussion and input from the subcommittee. However, the intent is to complete the checklist by the December 1, 2003.

Physical Plant Subcommittee Process

The subcommittee began meeting on June 3, 2003, and held two follow-up meetings on June 26, 2003, and July 22, 2003, with additional exchanges of information occurring through email.

The process used by the subcommittee was to first outline information on survey/inspections currently being conducted within hospitals including the type of survey/inspection, the agency conducting the survey/inspection, frequency, statutory requirements, and standards or codes that are used. Second, the subcommittee identified a list of conflicting standards and duplications of survey/inspections, and identified a list of additional areas of concern or interest. Third, the subcommittee discussed and identified recommendations that would be compiled into a report for review and consideration of the workgroup.

After the initial meeting it became apparent that with only two months to generate a report and make recommendations for increased efficiency of physical plant hospital survey/inspections, the scope of work would need to be narrow, with the opportunity to identify additional areas of interest that could be addressed in the future. It was the subcommittee's consensus that identified recommendations would lead to a more efficient system and would substantially decrease the burden on hospital administrators, staff and patients while still providing an adequate level of safety.

With the scope of the subcommittee in mind and the short time frames established, subcommittee members took their work seriously. Careful thought was given to each recommendation to reflect the views of the members.

All of the recommendations generated in this report were carefully worded by the members of the subcommittee and were reviewed and approved by the members prior to distribution to the workgroup.

Patient Care Subcommittee Findings

- Legislative changes in recent years, including the Regulatory Reform Act of 1995, have shifted the focus of some agency survey visits from a strictly regulatory mode to one of providing technical assistance. The state agencies involved in this project consider their role to be that of helping hospitals be successful at what they do, including complying with regulations.
- The Washington State Hospital Association provided information from several other states indicating some attempts to consolidate reviews. For example, California uses a model of joint inspection teams including Joint Committee on Accreditation of Health Care Organization, licensing, fire marshal, and some other functions. One area not included is radiation protection. Other states survey less frequently than Washington; others rely more on complaints as the basis of regulation. The use of pre-survey tools was also found. The initial review of these other states indicates that they would provide good guidance in evaluating options during a pilot phase.
- Re-inspection of a facility to confirm correction of problems previously noted during an inspection is accomplished differently by agencies. While some accept written confirmation from the facility that corrections have been made, others require another on-site physical inspection to ensure compliance.
- Perceptions vary among state and federal agencies as to the effectiveness of unannounced versus announced visits. Due to state boarding home and federal requirements, some inspection visits cannot be announced in advance. The group felt that announced visits allow for the proper people to be present during the review, with better outcomes.
- There are differences in the needs of small versus large hospitals when it comes to coordinating or combining state inspections. While a large facility may value having a large contingent of inspectors arrive together and fan out over the facility during the same day/week, a small facility might be unable to cope with this format. In some hospitals, a single person may be the same individual with whom numerous agency inspectors must consult. Further, facilities that have more than one type of regulated service (for example, nursing home, boarding home and hospital) may have different needs than a facility with only acute care services.
- There is a perception among some hospitals that some inspections are conducted with a primary focus on improving care, while others focus more on regulation and finding problems, often without consistent advice or assistance for resolving them.

It was also noted that Medicare specifically prohibits agencies from providing technical assistance. Hospital representatives reported real value when the focus is on improving care versus technical violations of the rules.

- Frequent requests from several agencies for identical documentation is costly and frustrating for hospitals, and can be inefficient for the agencies. State agency inspectors from the Department of Social and Health Services (DSHS) and the Department of Health (DOH) frequently request the hospitals to provide copies of each other's reports.
- A number of agencies use a customer survey form to solicit input following their inspection. The group raised questions about whether anonymity could be assured, believing that more honest and frank responses would result if the person completing the survey were sure they could not be identified. Surveys can be a useful tool for improving agency performance.
- DOH and DSHS investigations of complaints at hospitals are responded to using a "priority" system, with the most serious problems addressed the most quickly. While some agencies focus subsequent inspections on areas of prior violations, few, if any, limit inspections to those arenas. Federal regulations require a review of all areas on each survey.
- There may be some areas of state inspections that can be "deemed" as meeting another agency's requirements since inspectors are essentially reviewing the same areas against same or similar standards. Potential program areas for "deeming" include pharmacies, kitchens, and laundry facilities.
- A problem of inconsistency in observations or standards was noted when various agencies inspect the same areas. This may be due to internal inconsistency among one agency's surveyors or among agencies. One could also conclude the variations are the result of how each agency interprets the law and then establishes its rules. Several hospitals reported that the care processes are more similar among the types of patients they serve than the regulations imply. Therefore, the regulations could be better defined and not open to as much individual interpretation.
- Staff who conduct surveys have specialized training that is not easily transferred. The scope of activity surveyed in hospitals is very broad: from patient care protocols to radiation equipment standards. It was felt that the ability to assemble smaller survey teams with broader expertise could not occur without considerable time and resources, and potential decline in quality of service and technical assistance.

Fiscal Subcommittee Findings

- The Washington State Hospital Association (WSHA) and the Washington Public Health Districts (AWPHD) identified consistent prior notification of an audit as an area of concern for their members. The agencies involved in the fiscal subcommittee are not required by statute to provide notice prior to an audit. However, each agency's current audit procedures provide a minimum of three to four weeks of notice prior to conducting an audit.¹

The subgroup acknowledges each agency's audit procedures, as well as the discretion given to individual auditors to schedule audits, has led to the development of different scheduling practices within and among state agencies. Adopting a standard practice of four weeks notice will help both agencies and hospitals assure that reasonable notification occurs and should not be difficult to accomplish.
- Another concern identified by hospitals was for agencies to conduct audits jointly. The state agencies agreed that was not feasible for the agencies to develop a master schedule to coordinate hospital audits. Hospitals would still like this to happen, but realize that it could be difficult. Although each agency audits fiscal matters, the purpose and type of each agency's audit is distinct requiring the review of different documents². Joint audits would likely be more time consuming and disruptive for hospitals. Also each agency's audit cycle is very different³.
- Hospitals want to reduce the frequency in which they are required to produce identical information to agencies conducting audits. Each agency within the Fiscal Subcommittee has different statutory obligations regarding information collected in an audit. All taxpayer information collected and maintained by the Department of Revenue is confidential and not subject to disclosure under RCW 82.32.330⁴. Similarly, records collected by the Department of Social and Health Services are confidential and must be destroyed upon the completion of an audit under RCW 74.09.290⁵. Conversely, all documents collected by the State Auditor's Office are public records subject to disclosure. These conflicting obligations effectively prevent the agencies from sharing information to any extent. However, agencies agreed that they often ask for the same basic information such as hospital contact information, hospital leadership and names of board members.
- The subcommittee discovered both agencies and hospitals would benefit from more communication with one another. The purpose of an audit is to verify reporting accuracy, correct improper reporting, and promote voluntary compliance by educating taxpayers on their obligations. However, some hospitals view an audit as a punitive and fearsome event. There is a clear disconnect between the intent of state agencies and the perception of the activities of field

staff. Hospitals do not feel like they have any recourse when problems occur. Building better relationships and understanding agency practices should alleviate these concerns.

¹ The Department of Revenue initiates contact with a taxpayer four to six weeks prior to conducting an initial visit with the taxpayer. The Department of Social and Health Services provides three weeks notice. The State Auditor Office provides at least three to four weeks notice.

² The Department of Revenue has three divisions that perform auditing functions. The first is the Audit Division, which reviews compliance with excise tax laws. The second is the Property Tax Division, which reviews compliance with property tax exemptions. The third is the Special Programs Division, which reviews compliance with the Uniform Unclaimed Property Act.

The State Auditor's Office conducts audits of only public hospital districts because its purpose, as stated in the State Constitution, is to be an independent auditor of all revenue collectors and holders of public money. Additionally, if a district has expended over \$300,000 in federal expenditures (excluding Medicare and Medicaid) that district is required by federal law to be audited in accordance with the Federal Office of Management and Budget Circular A-133.

The Department of Social and Health Services Payment Review Program and Audit Section identify, recover and return vendor overpayments, and work to prevent future overpayments.

³ The Department of Revenue's audit cycle is generally four years. However, additional targeted audits may be scheduled for research or compliance issues. The Department of Social and Health Services audit cycle is generally one to three years. The State Auditor's Office audits on an annual basis for larger public hospital districts and every two to three years for the remainder.

⁴ Although outside the scope of this report, the Department of Social and Health Services Medical Assistance Administration and Aging & Adult Services Administration coordinate audits of nursing homes that are coupled with small hospitals, particularly those in eastern Washington.

⁵ See endnote 2. RCW 84.36.080 requires the Department to conduct a physical inspection of property applying for exempt status. These inspections are excluded from this report because they occur at the request of hospitals. However, regular property tax compliance audits are included in the scope of this report.

Physical Plant Subcommittee Findings

The subcommittee compiled a list, by agency, of physical plant surveys/inspections within Hospitals. After reviewing the compiled list the subcommittee identified the following issues of concern and felt that solutions could be offered that would result in better communication between agencies and more efficient practices:

Conflicts

- Differing interpretations of fire and life safety requirements by various agencies.
- Differing national codes adopted by local, state, and federal agencies.
- Conflicts between patient care requirements and fire and life safety codes.
- Worker safety issues as they relate to building requirements at the time of construction.

Duplication of work

- Fire and Life Safety Inspections
 - Department of Health
 - Office of the State Fire Marshal
 - Labor and Industries
 - Local Fire Official
 - Joint Commission on Accreditation of Healthcare Organizations
- Patient Care Surveys/Inspections
 - Department of Health
 - Joint Commission on Accreditation of Healthcare Organization

Patient Care Subcommittee Recommendations

1. Conduct a “pilot project” in 2004 that would:

- **Be carried out with the cooperation of the Washington State Hospital Association (notably helping to identify volunteer hospitals).**
- **Determine whether ideas to coordinate, combine and deem will actually work without any adverse consequences.**
- **Test various options, such as**
 - **Consolidation of survey visits**
 - **Coordination of separate survey visits**
 - **“Deeming” of one agency’s visit for another’s, at least in part**
 - **Utilizing a combined entrance meeting with hospital management**
 - **Minimizing duplication of documents required**

Discussion

The subcommittee determined that because there were potentially too many variations in needs and abilities of small versus large hospitals (and possibly other demographic categories, such as urban versus rural) that a one-size-fits-all approach may not be a good solution. It was felt that absent some real “testing” data, the committee could not offer recommendations for systemic changes to the current survey processes used by agencies.

2. **Establish a standardized set of commonly requested hospital documents – specifically items such as policies and procedures, credential verifications and human resources documents -- that would be currently maintained for easy access by state agencies. Agencies would agree upon the basic, standard set of documents and display format necessary for routine survey. The documentation could be retained via: (a) hard copy notebook kept at a central location within the hospital; (b) a secure website at each hospital for posting frequently used information; or (c) a centralized, secure, statewide website that hospitals would post current information to and agencies could access. Hospitals would be responsible to keep information current within a specific number of weeks.**

Discussion

A key point raised by the hospitals, and identified during the deliberations of the committee, was that many different site surveyors repeatedly request a large number of the same documents. Collecting and copying the paperwork is inconvenient and time consuming for hospitals.

The surveyors are concerned that documents reviewed be up-to-date. So, the idea of using one set of document for a set period of time, such as a calendar year, is not workable.

A suggested solution is for the hospital to store current basic documents in a central location. We have identified three different alternatives for accomplishing this

recommendation. Once the standard list of documents and storage format is determined, a hospital could choose a storage mechanism.

If a secure, central website is used, surveyors could access the site preceding the site visit. However, use of a secure central repository may take additional resources and, if maintained by a state agency, would be subject to public disclosure. While the documents would not contain specific patient information, this may be of concern to some entities.

- 3. Plan the scope of the inspections conducted by the Department of Health (including facilities licensing, radiation protection, pharmacy) according to areas identified as needing the most attention. The focus may be on prior deficiency areas for that facility, or an area of emergent new technology. Focused surveys would “stair step” into more detailed reviews if problems were found.**

Discussion

This recommendation is based on the concept that a hospital with good systems in place will remain a quality, low-risk institution over time. Further, agencies should use the information they gather on previous visits to give a sense where a more watchful eye should be directed.

This approach would be evaluated on an on-going basis to be sure that overall quality of care does not decline.

- 4. In connection with Recommendation 3 above, agencies should post to a readily available website, the “top 10” problem areas they are finding in their surveys. This would allow hospitals to review these aggregated findings against their own operations in those areas ahead of any survey.**

See, as an example of how one program does this now:
<http://www.doh.wa.gov/ehp/rp/rp-xray.htm#violations>

- 5. Create an anonymous “customer satisfaction” process, possibly using a survey instrument submitted to a 3rd party, that would evaluate the inspection program and identify areas needing attention.**

Discussion

The committee felt that customer satisfaction – that is, what hospitals thought of the survey processes they participated in – was an important feedback tool for agencies. A problem identified was in separating the customer satisfaction response from the on-site survey both chronologically and physically. It was felt that the individual(s) completing the survey might be less than candid if responding either in the presence of the surveyor, or in a way that would identify them.

An anonymous survey that encompasses all agency site inspections was seen as a good approach. The Washington State Hospital Association could serve as a “clearinghouse” for a customer satisfaction survey. Or, a single agency could act as the collector, collator and distributor of the information on a routine basis (quarterly, annual).

Future Considerations

- At a minimum this group (or one similarly constituted) should help to evaluate the pilot projects. Recommendations for implementing any process changes should go through a similar, cooperative stakeholder/agency group.
- A thorough analysis of the “value added” of the total regulatory structure for hospitals should take place. The American Hospital Association recently released a study paper on hospital regulation. Among their findings is the notation that “while there is agreement that there needs to be government regulation of health care facilities, the concern is how they are regulated. Appropriate regulation should enable regulators to allocate their resources in ways that will best serve the public interest.” The group did not have sufficient time to delve into the area of “value of regulation” but believes this is a good area for future research. There is a sense that the agencies and hospitals were unsure how a comparison of all the systems we have grown to know and accept as being the “correct” way to operate could be accomplished, although such a comparison would be useful.

Fiscal Subcommittee Recommendations

1. **Each agency represented on the fiscal sub-committee agreed to amend its audit procedures to include the following instructions:**
 - **Provide a minimum of four weeks notice prior to conducting an audit. The four weeks notice commences on the date of first contact with the hospital.**
 - **Mail a confirmation letter to the Chief Executive Officer of the hospital with copies sent to its Chief Financial Officer and the primary contact that arranged the audit schedule.**
 - **Agencies represented on the fiscal sub-committee would be flexible, whenever possible, in the timing of their audits.**

Discussion

Each agency represented on the fiscal sub-committee generally initiates contact with a hospital by telephone to schedule the first on-site visit. A letter is subsequently delivered to the hospital to confirm this conversation and the schedule to conduct the audit. The subcommittee discovered that the current notification process could be improved by addressing the confirmation letter to senior management within the hospital. Because the primary contact that arranged the audit schedule may not be aware of other pressures on hospital resources or may not adequately communicate the schedule to others, this will improve communication and provide those authorities an opportunity to revise the schedule if necessary. The Washington State Hospital Association and the Association of Washington Public Hospital Districts maintain on their websites lists of Chief Executive Officer and Chief Financial Officer for each hospital that agencies represented on the fiscal sub-committee can access for this purpose.

The agencies involved in the Fiscal Subcommittee will continue to be flexible with the timing of their audits. The agencies generally accept any reasonable request made by hospitals for a date to initiate an audit. However, if a reasonable date cannot be agreed upon, the subcommittee agreed that the agency could proceed with an audit so long as four weeks has passed from the initial contact with the hospital.

Some hospitals are hesitant to request an accommodation, fearing that it may lead to retaliation. The agencies and associations believe additional education with the industry can eliminate this concern.

2. Each agency represented on the fiscal sub-committee agreed that:

- **Improved notification and communication of scheduled audits to hospitals would lead to better coordination.**
- **Each agency represented on the fiscal sub-committee would streamline their audit functions to reduce multiple visits by the multiple agencies.**

Discussion

The subcommittee believed that the improved notification and communication of scheduled audits to hospitals would lead to better coordination. If a hospital informs an agency that other audits in process or scheduled, the agency has the flexibility to schedule within those constraints.

The subcommittee members also recognized that they could streamline their audit functions. The State Auditor's Office currently performs a single audit that encompasses all areas of review (financial, legal, performance, and accountability). The Department of Social and Health Services is already working to consolidate its payment review and audit functions (medical claims, third-party liability, and medical indigent program) into a single audit. The Department of Revenue divisions that conduct audits will work to schedule their activities concurrently.

- 3. Each agency represented on the fiscal sub-committee agreed to develop a checklist of common documents frequently requested by the agencies within the Fiscal Subcommittee by December 1, 2003.**

Discussion

The checklist would enable hospitals to compile the documents on an annual basis for easy access upon request. The checklist will also be helpful for record retention purposes. Hospitals will be reminded to keep the forms for each year(s) so the materials are available for the year(s) an auditor needs.

- 4. Agencies represented on the fiscal sub-committee and hospitals agreed to better educate each other about their activities.**

Discussion

The agencies represented on the fiscal sub-committee will work with the hospital associations to provide more information on agency audit activities and procedures that impact hospital operations.

Physical Plant Subcommittee Recommendations

- 1. Adopt the federally mandated edition of fire codes as determined by the Center for Medicare and Medicaid Services (CMS) and federal statute.**
 - The Department of Health, Department of Labor and Industries, Office of the State Fire Marshal, Department of Social and Health Services, and Department of Community Trade and Economic Development (State Building Code Council) should work collaboratively to update and synchronize existing rules (WACs) pertaining to fire and building code adoption.**

Discussion

It is the subcommittee's opinion that codes and standards should be consistent with current federal Medicare and Medicaid requirements; therefore it is the subcommittee's recommendation that the federally mandated edition of fire codes, as determined by CMS and federal statute, be adopted. It is also the recommendation of the subcommittee that codes be consistent from agency to agency.

- 2. A single agency should be identified as responsible for fire safety related issues, and a single agency should be identified for other physical plant inspections, necessary to meet Department of Health, Medicare and Medicaid licensing requirements.**

Discussion

This recommendation was put forward by the subcommittee based on past issues with differing code interpretation and standards. It is the subcommittee's recommendation that a single entity be identified to eliminate these problems. At the time of printing, dialogue between the Department of Health and the Office of the State Fire Marshal to implement this recommendation was on-going. Additional time to explore options is still needed. It is also the recommendation of the subcommittee that this be a subject that the ongoing TAG research and address.

- 3. To reduce the cycle of inspections by multiple agencies, other surveying/inspecting agencies' inspections should be recognized as valid annual surveys/inspections when they are consistent in nature, requirements, and practices.**

Discussion

Eliminating or reducing redundant inspections could reduce the number of inspections/surveys. An example includes JCAHO inspections conducted every three years, which are currently accepted as an annual inspection conducted by the Department of Health or the Office of the State Fire Marshal. Likewise, the Department of Health and the Office of the State Fire Marshal would accept similar inspections from other agencies that use the same standardized inspection form.

- 4. The Department of Health should work collectively when multiple agencies, including the Department of Labor and Industries, local building or fire officials, or Office of the State Fire Marshal, are tasked with plan review or construction acceptance and testing. It is further recommended that the Department of Health work collectively with local building officials when completing plan review projects, and with the Department of Labor and Industries when reviewing electrical installations.**

Discussion

Currently plan review projects are primarily completed within the Department of Health. In many instances the information derived from the plan review is not forwarded or shared with the local building/fire jurisdiction. The recommendation is being put forward by the subcommittee to ensure that conflicts between local code enforcement and state code enforcement are eliminated and that these processes are a joint effort.

In addition the subcommittee identified gaps in the plan review and construction acceptance process. The subcommittee recommends that construction acceptance be completed on all projects and that it be jointly accomplished between the state agency and local jurisdiction.

5. **State agencies should notify local jurisdictions of plan review and inspections that are being completed within the local authority's area of jurisdiction and copies of surveys/inspections should be provided to the local jurisdiction upon completion of the survey/inspection. State agencies shall make every effort to include the local jurisdiction during the survey/inspection. Onsite interim construction inspections, and final acceptance and testing should be completed on every project and coordinated between the Department of Health, the Office of the State Fire Marshal, and the local building or fire agency when such expertise exists locally.**

Discussion

Currently the Department of Health conducts fire and life safety inspections without notifying the local fire official. This practice has, in the past, created conflicts in code interpretations and requirements. It is the subcommittee's recommendation that the local official be notified prior to the inspection and given the opportunity to jointly conduct the inspection, and in the event that is not permissible, that a copy to the inspection be provided to the local jurisdiction. This will ensure that inspection information is provided to the local authority having jurisdiction, and that joint inspections may be conducted when feasible. This recommendation will eliminate conflict in code interpretation and enforcement.

6. **The Physical Plant Subcommittee should become an ongoing Technical Advisory Group (TAG) that will meet periodically.**

Discussion

The subcommittee identified a list of additional issues that could potentially lead to further efficiencies in the future. By developing an ongoing TAG it is anticipated that the future considerations listed in this report will be addressed. This will allow agencies and hospitals to discuss programs and to identify additional issues to make the system more efficient and cost effective. The Office of the State Fire Marshal has volunteered to facilitate and staff the efforts of the TAG.

FUTURE CONSIDERATIONS

The Physical Plant Subcommittee identified additional issues that were outside of the scope of this report but warranted future consideration. As recommended previously, an ongoing TAG would research, evaluate and provide additional direction concerning each of the following:

- Survey/Inspection issues related to new federal HIPPA rules.
 - Training for State Inspectors
- Standardized data collection for surveys/inspections and data sharing.
- Educational/Certification programs for contractors and architects who design and construct hospitals.
 - Establish a Certified Healthcare Contractor License

- Insurance industry coordination
- JACHO Coordination
- Code Development
- Development of a comprehensive fire inspection form to be used consistently amongst inspecting agencies.
- Development of a self-inspection program and in-service training for hospitals.
 - Implementation of an inspection cycle that includes consideration of training and self-inspections.
- Develop and outline minimum qualifications for inspectors and reviewers to include required training and certification levels needed to be proficient in their job.
- Develop a process for issuing interim permits that would allow completion of various phases of construction during the plan review process.

APPENDIX A

**SURVEY PROGRAMS
SCOPE AND STATUTORY BASIS**

HOSPITAL SURVEY INFORMATION

Agency Name	Survey Program	Type of Survey	Purpose of Survey	Scope of Survey	Statutory Basis	Notice Provided Y/N	Amount of Notice	Frequency of Survey
DSHS/Aging and Disability Services Administration – Residential Care Services	Boarding Home Licensing – Residential Care Services	Boarding Home Re-inspection	Resident care and services; facility compliance with regulations; Environmental inspection including food services.	10% resident sample (may be expanded if issues are identified to lead to an increased sample); building inspection including kitchen and environment; record review	RCW 18.20	No notice – visits are unannounced	None	Currently - every 12 months. New legislation to change frequency to 18 months with 15 month average to increase variability in visits therefore decreasing predictability
DSHS/Aging and Disability Services Administration – Residential Care Services	Nursing Home Survey Residential Care Services	Nursing Home Survey; Federal certification and re-certification	Resident care and services; Structural and environmental inspection; dietary survey as required.	Determined by use of formula contained in Survey Procedures for Long Term Care Facilities “Table 1 – Resident Sample Selection”	42 CFR 483.5 through 42 CFR 483.75 and all related Federal requirements	No notice – visits are unannounced	None	Every 12 month for state average = no more than 15 months between.
DSHS/Aging and Disability Services Administration – Residential Care Services	Boarding Home Licensing – Residential Care Services	Boarding Home Re-inspection	Resident care and services; facility compliance with regulations; Environmental inspection including food services.	10% resident sample (may be expanded if issues are identified to lead to an increased sample); building inspection including kitchen and environment; record review	RCW 18.20	No notice – visits are unannounced	None	Currently - every 12 months. New legislation to change frequency to 18 months with 15 month average to increase variability in visits therefore decreasing predictability

DSHS/Aging and Disability Services Administration – Residential Care Services	Nursing Home Survey Residential Care Services	Nursing Home Survey; Federal certification and re-certification	Resident care and services; Structural and environmental inspection; dietary survey as required.	Determined by use of formula contained in Survey Procedures for Long Term Care Facilities “Table 1 – Resident Sample Selection”	42 CFR 483.5 through 42 CFR 483.75 and all related Federal requirements	No notice – visits are unannounced	None	Every 12 month for state average = no more than 15 months between.
DSHS/MAA, Payment Review & Audit Section		Hospital Audits	Fiscal	Outpatient, Inpatient, Third-Party Liability, MI/Spendedown Program, Outpatient Pharmacy, Complaint Audits	RCW 74.09.200/290 WAC 388-502-0240	Yes	Third-Party Liability – No Notice Required Remaining Audits – 3 weeks	1 – 3 Years
DOH/Office of EMS & Trauma System	Trauma Service Designation	Competitive application process DOH contracts with clinical experts to review trauma patient care, QI, organization, staffing, policies/procedures prior to award of trauma designation	Review patient care, QI, organization, policies/procedures Provide technical assistance/education	One day review of trauma patient medical records and QI material. Interviews with physicians and staff. Tour of facility.	RCW 70.168	Yes	Usually 2-4 months advance notice	Every 3 years

<u>DOH/Facilities & Services Licensing</u>	Office of Health Care Survey	Licensing	Patient care & physical environment	Inspect all aspects of the hospital: environment of care, care delivery, physical plant, life safety, staff training/expertise, management of care	RCW 70.41	Yes	2 weeks	Average 1 per 18 months, statutory requirement to be annual
DOH/Office of Radiation Protection	Medical Licensing and Compliance	Compliance inspection for use of radioactive materials	Review compliance with regulations and license conditions	Comprehensive evaluation of program activities with regard to radioactive material use since last inspection	Chapter 70.98 RCW and Title 246 WAC	No	N/A	Priority 1 & 2 inspections are annual, priority 3 inspections every other year
DOH/Office of Radiation Protection	X-RAY Registration and Inspection	Compliance Inspection of X-ray machines such as fluoroscopes, CT scanners, and all others	To prevent unnecessary X-ray exposure of patients and staff	Sometimes inspect every x-ray machine & spend several days, generally do spot checks, review medical physicist's reports, bioengineering and PM/maintenance reports, personnel monitoring reports, procedures, technique charts, darkrooms and film processors.	Title 246 WAC and RCW 70.98	Yes	2-3 weeks	All of them, every 3 years
DOH/Office of Radiation Protection	X-RAY Registration and Inspection	Compliance with FDA regulations	Measurement of one X-ray machine recently installed to ensure that the	Partnership (with FDA) inspection of newly installed x-ray machine at a hospital. Focused measurement of	Within the scope of RCW 70.98 and WAC 246	Yes	1-2 weeks	Not a frequent or regular visit – an estimated three hospitals a year.

			assembler has met the requirements of 21 CFR Part 1000	ONE machine in Radiology Dept. Do nothing else & look no further				
DOH/Office of Radiation Protection	X-RAY Registration and Inspection	Information gathering only	To gather a national snapshot, state-of-the-practice of a certain type of x-ray exam, i.e., digital chest imaging, or lumbar spine exam, etc.	NEXT (Nationwide Evaluation of X-ray Trends) survey sponsored by FDA & CRCPD (Conference of Radiation Control Program Directors) on one or more X-ray rooms if the hospital comes up on a random sample.	Within the scope of RCW 70.98 and WAC 246	Yes	1-3 weeks	Not a frequent or regular visit – an estimated zero to 6 hospitals per year
DOH/Office of Radiation Protection	X-RAY Registration and Inspection	Compliance with FDA regulations	To determine compliance with 21 CFR Part 900 MQSA, the federal mammo standards	MSQA (Mammography Quality Standards Act) inspector from DOH staff makes appointments with Mammo lead tech who spends approximately three hours with inspector while he/she reviews documents and makes measurements.	RCW 70.98 and federal Law (Public Law 105-248)	Yes	2-4 weeks	Every hospital that does mammography, every year
DOH/Health Professions Quality Assurance	Board of Pharmacy	Periodic Inspection of licensee.	Public safety	All pharmacy and drug related activities within the hospital and clinics.	RCW 18.64.005, RCW 18.64.310	Investigators usually contact the pharmacy prior to inspection as a courtesy. Not	7 to 30 days	Every 12 to 24 months depending on staff and facility.

Office of the State Fire Marshal/ Washington State Patrol	Fire and Life-safety Inspection Fire Investigation Fire Safety Complaints	<ul style="list-style-type: none"> • Fire and Life-safety Inspections • Complaint Inspections • Fire Investigations • On-site construction compliance inspections • Acceptance testing for new construction 	Structural (to ensure patient and staff safety from fire)	<ul style="list-style-type: none"> • Fire and Life Safety inspections for code compliance in accordance with National Standards adopted by the State Fire Marshal and CMS • Compliance inspections to abate fire and life-safety hazards • Fire investigations to determine origin and cause and take action • On-site construction compliance inspections ensure code compliance • Acceptance testing to ensure proper installation of fire protection features 	70.41.080 RCW – Fire protection 48.48.030 RCW – Examination of premises 48.48.040 RCW – Standards of safety 48.48.050 RCW – Removal of fire hazards 48.48.060 RCW – Reports and investigations of fires 48.48.070 RCW – Examination of witnesses 48.48.080 RCW – Criminal prosecutions	No	N/A	Fire and Life-safety and on-site construction compliance – annually Complaint and Fire Investigations – as received
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<p>Department of Ecology</p>	<p>Toxics Cleanup Program</p>	<p>Underground Storage Tank inspections</p>	<p>Structural</p>	<p>Inspect operation and maintenance of emergency power generator underground storage tanks</p>	<p>RCW 90-76; WAC 173-360</p> <p>Note: Some hospitals have chosen to be exempt from RCW 90-76 by using heating oil (in which case, however, they are not eligible for insurance through PLIA). Other hospitals chose to be exempt from RCW 90-76 by switching to above-ground tanks.</p>	<p>Yes, except in health based emergency</p>	<p>Technical assistance inspections are conducted when requested. Compliance inspections are conducted with two week notice unless there is an emergency.</p>	<p>About once every five years for compliance inspections. Upon request for technical assistance inspections.</p>

Department of Ecology	Hazardous Waste & Toxics Reduction Program (Pollution Prevention)	Pollution Prevention Plans* Environmental Management Systems Pollution Prevention Annual Progress Reports* Non-enforcement site visits (on request) to assist submittals and reduction of toxics use.	Hazardous substance/product use reduction and hazardous waste reduction.	For facilities meeting thresholds: Inventory of Toxics Release Inventory chemicals, process descriptions using these chemicals and generating hazardous waste, description of selected pollution prevention opportunities, and five year goals.	WAC 173-307 (Pollution Prevention Plans)	Yes	Eighteen months prior to due date for the first plan, then six months before the annual update due date.	Original Pollution Prevention Plan or Environmental Management System, Updates every five years, Annual Progress Reports.
Department of Ecology	Hazardous Waste and Toxics Reduction Program (DW Compliance)	Unannounced DW compliance inspections Compliance assistance visits (upon request) Implementation of newly-adopted exclusion for state-only pharmaceutical wastes (assistance)	Structural: Protection of human health and the environment through proper management of dangerous waste	Assessment of hospital processes that generate dangerous waste; proper management of waste on-site; documentation of proper management off-site	Chapter 173-303 WAC "Dangerous Waste Regulations"	No: not for compliance inspections Yes: for requested compliance assistance visits	At times requested for compliance assistance visits At the receptionist's desk for compliance inspections	Less than annual, upon complaint, due to issues which have risen, geographical focus or industrial focus

Department of Ecology	Water Quality Program	NPDES and state waste discharge permit compliance (usually construction stormwater or pre-treatment) Waste water discharge without a permit	Structural	Construction management practices that may contaminate stormwater; discharges to water bodies; discharges to sewage treatment plants	RCW 90.48	No	N/A	Typically complaint driven – we probably do 2-3 a year state-wide We currently have one hospital and one long-term care facility under permit – none under the construction permit
Department of Ecology	Hazardous Waste & Toxics Reduction Program (Pollution Prevention)	1) Environmental Management Systems assistance 2) Non-enforcement site visits to assist facility with required Pollution Prevention Plans and Pollution Prevention Annual Progress Reports	Hazardous substance/product use reduction and hazardous waste reduction.	For facilities meeting thresholds: Inventory of Toxics Release Inventory chemicals, process chemical descriptions creating hazardous waste, description of pollution prevention opportunities, and five year goals.	WAC 173-307 (Pollution Prevention Plans)	Yes	Visits coordinated in advance to meet facility needs	Initial Pollution Prevention Plan or Env. Mgmt. System Updates every five years, Annual Progress Reports.
Department of Ecology	Air Quality Program	1. Air quality related complaint response * 2. Air quality related compliance inspections *	Structural	1. Site visit. As needed; none received since shutdown of hospital incinerators in early 1990s. 2. Site visit.	RCW 70.94; WAC 173-400	1. Yes, except in health based emergency 2. Yes 3. No. Phone call or letter serves as notice 4. Permit required	1. Depends on seriousness of complaint; days to weeks notice 2. 30 days or more 3. None; response at	1. As needed; no complaints received since mid 1990s after shutdown of incinerators. 2. Less than once every three years; less than one

		<p>3. Status check-ins on air quality related issues *</p> <p>4. Air quality Notice of Construction (NOC) permit *</p> <p>No routine, scheduled or unscheduled, requests for air quality information or surveys of hospitals are conducted.</p> <p>* No routine, scheduled or unscheduled, requests for air quality information or surveys of hospitals are conducted.</p>		<p>Determined by changed air quality regulations or complaints. Focus on air emission source discharges and controls, primarily large boilers and perhaps large sterilizers.</p> <p>3. Phone call or letter. Check in to identify any major air quality related status changes. Based on information received that status may have changed. (Example: Boiler shutdown)</p> <p>4. Define air pollution emission limits</p>		prior to construction	<p>hospitals convenience.</p> <p>4. Permit required prior to construction</p>	<p>inspection per year conducted.</p> <p>3. Approximately two inspections total since 1994. Frequency dropped after incinerators closed. Approximately once every three to five years, if need is sensed.</p> <p>4. Less than one every two years; seven permits issued in last 15 years</p>
Department of Revenue/Audit Division-Special Prog.	Auditing public entities and federal lessees periodically, typically on a four-year audit cycle basis.	Audit of public entities records and leases.	Fiscal	Audit business, financial records, leases and pertinent real property records for verifying compliance in reporting leasehold excise tax.	RCW 82.32.070	Yes	2-3 weeks	Generally a four year cycle
Department of Revenue/Property Tax	1. Audit/site visits in response to specific	Physical Inspection to determine	Fiscal	Audit property and financial records for the purpose of	RCW 84.36.040	Yes	1- 2 weeks	<p>1. As requested by the applicant hospital</p> <p>2. Approximate four</p>

	<p>applications for property tax exemption.</p> <p>2. Periodic audit/site visits to confirm changes in uses of exempt hospital property & continued exemption.</p>	<p>actual uses of all parcels of property and their eligibility for exemption.</p>		<p>verifying uses and leases of hospital property and to maintain the appropriate level of exemption from property tax.</p>				<p>year cycle, conditioned on number of applications processed for the applicant.</p> <p>3. At times of changes to the use of the property</p>
<p>Department of Revenue/Audit Division</p>	<p>Auditing taxpayers periodically, typically on a four year audit cycle basis. Policy is to audit all affiliated entities concurrently.</p>	<p>Audit of business activity records.</p>	<p>Fiscal</p>	<p>Audit business and financial records for the purpose of verifying compliance in reporting business and occupation taxes, and sales/use taxes.</p>	<p>RCW 82.32.070</p>	<p>Yes</p>	<p>2-3 weeks</p>	<p>Generally a four year cycle</p>

APPENDIX B
SUBCOMMITTEE MEMBERS

HOSPITAL SUBCOMMITTEE GROUP MEMBERS

FISCAL GROUP

Ivan Dansereau – State Auditor’s Office

Mike Foisy – Department of Social and Health Services

Richard Goldsmith – Association of Washington Public Health Districts

Jim Munro – Department of Revenue

Julie Sexton – Department of Revenue

Brenda Suiter – Washington State Hospital Association

PATIENT CARE GROUP

Allen L. Beach – Columbia Basin Hospital

Gary Bennett – DOH – Facilities and Services Licensing

Steve Boruchowitz – DOH – Health Systems Quality Assurance

Curt Demaris – DOH – Radiation Protection

Terry Frazee – DOH – Radiation Protection

David Hurley - Washington State Hospital Association

Kathy Hare – University of Washington

Marianne Klaas – Swedish Hospital

Paula Minton-Folz – University of Washington

Richard Morrison – DOH – Board of Pharmacy

Mich'l Needham – Office of Financial Management

Karen Nodolf – Department of Social and Health Services – MAA

Mike Odlaug – DOH – Environmental Health Programs

Byron Plan - DOH – Facilities and Services Licensing

Kathy Schmitt – DOH – Office of EMS and Trauma System

Arden Scroggs – DOH – Radiation Protection

Brenda Suiter - Washington State Hospital Association

PHYSICAL PLANT GROUP

Chad Beebe – DOH – Facilities and Services Licensing

Ed Borgatt – WSP – Office of the State Fire Marshal

Warren Burns – City of Everett Fire Department

Stuart A. Clark – Department of Ecology

Mary Corso – State Fire Marshal, Chair

Anjela Foster – WSP – Office of the State Fire Marshal

John Furman – Department of Labor and Industries

Bud McIrvin – Providence Everett Medical Center

Denny McKee – Department of Social and Health Services

Dave Reid – Grays Harbor Community Hospital

Kay Seiler – Department of Ecology

Ronald Weaver - DOH - Health Systems Quality Assurance

Roger Woodside – WSP – Office of the State Fire Marshal

APPENDIX C

BRAINSTORM:

LIST OF OPTIONS TO IMPROVE THE STATE INSPECTION PROCESS

PATIENT CARE SUBCOMMITTEE BRAINSTORM

LIST OF OPTIONS TO IMPROVE THE STATE INSPECTION PROCESS

- 1) **Utilize a large, comprehensive team approach with coordinated “basic” introduction meetings.**
- 2) Use cross-trained teams, or “deem” inspection results of others to avoid duplication of review.
- 3) Reduce the number of regulations. Regulate at a more general level.
- 4) Inspect less often. Reduce the frequency of inspection cycles.
- 5) Rely on hospital verification of corrections to past problem areas rather than on-site re-inspection.
- 6) Inspect less often. Coordinate the frequency of inspection cycles.
- 7) Focus the inspections to key areas. Use an IRS model and audit/survey limited arena. Or, focus the audits on areas of prior problem using a rating system.
- 8) Institute customer survey tools to provide continuous feedback for improvement. Consider an on-line central reporting tool to retain anonymity.
- 9) **Tailor inspection methods to hospital sizes rather than a one size fits all solution. Pilot various models for large, medium and small hospitals.**
- 10) **Identify and consolidate generic documents needed by multiple agencies. Agree on a format, update cycle and central access point for use by all inspectors. Limit additional document requests to those that are unique to the inspection (i.e. specific patient records for a specific time period)**
- 11) Utilize a pre-survey tool to steer the inspection and reduce on-site time.
- 12) Re-focus all inspections toward a technical assistance, consultative approach.

Priority recommendations in bold print