

NEW SECTION. Sec. 21. The director of licensing may take whatever action is necessary to implement this act on its effective date. This act applies to any person, individual, corporation, partnership, or association whether or not in existence on or prior to July 1, 1988. The director of licensing may adopt transition rules in order to allow debenture companies in existence prior to July 1, 1988, a reasonable amount of time to comply with the requirements of this act. Transition rules shall require compliance with this act not later than January 1, 1990.

Passed the House February 13, 1988.

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CHAPTER 245

[Senate Bill No. 6271]

HOME HEALTH, HOSPICE, AND HOME CARE SERVICES

AN ACT Relating to care provided in the home; amending RCW 70.126.010, 48.21.220, 48.21A.090, and 48.44.320; adding a new chapter to Title 70 RCW; adding a new section to chapter 70.126 RCW; creating a new section; repealing RCW 70.126.040 and 70.126.050; prescribing penalties; making an appropriation; providing an effective date; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The legislature finds that the availability of home health, hospice, and home care services has improved the quality of life for Washington's citizens. However, the delivery of these services bring risks because the in-home location of services makes their actual delivery virtually invisible. Also, the complexity of products, services, and delivery systems in today's health care delivery system challenges even informed and healthy individuals. The fact that these services are delivered to the state's most vulnerable population, the ill or disabled who are frequently also elderly, adds to these risks.

It is the intent of the legislature to protect the citizens of Washington state by licensing home health, hospice, and home care agencies. This legislation is not intended to unreasonably restrict entry into the in-home service marketplace. Standards established are intended to be the minimum necessary to ensure safe and competent care, and should be demonstrably related to patient safety and welfare.

PART I

GENERAL PROVISIONS

NEW SECTION. Sec. 2. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Branch office" means a location or site from which a home health, hospice, or home care agency provides services within a portion of the total

geographic area served by the parent agency. The branch office is part of the agency and is located sufficiently close to share administration, supervision, and services.

(2) "Department" means the department of social and health services.

(3) "Home care agency" means a private or public agency or organization that administers or provides home care services directly or through a contract arrangement to ill, disabled, or infirm persons in places of temporary or permanent residence.

(4) "Home care services" means personal care services, homemaker services, respite care services, or any other nonmedical services provided to ill, disabled, or infirm persons which services enable these persons to remain in their own residences consistent with their desires, abilities, and safety.

(5) "Home health agency" means a private or public agency or organization that administers or provides home health aide services or two or more home health services directly or through a contract arrangement to ill, disabled, or infirm persons in places of temporary or permanent residence.

(6) "Home health services" means health or medical services provided to ill, disabled, or infirm persons. These services may be of an acute or maintenance care nature, and include but are not limited to nursing services, home health aide services, physical therapy services, occupational therapy services, speech therapy services, respiratory therapy services, nutritional services, medical social services, and medical supplies or equipment services.

(7) "Home health aide services" means services provided by a home health agency or a hospice under the supervision of a registered nurse, physical therapist, occupational therapist, or speech therapist. Such care includes ambulation and exercise, assistance with self-administered medications, reporting changes in patients' conditions and needs, completing appropriate records, and personal care or homemaker services needed to achieve medically desired results.

(8) "Homemaker services" means services that assist ill, disabled, or infirm persons with household tasks essential to achieving adequate household and family management.

(9) "Hospice agency" means a private or public agency or organization administering or providing hospice care directly or through a contract arrangement to terminally ill persons in places of temporary or permanent residence by using an interdisciplinary team composed of at least nursing, social work, physician, and pastoral or spiritual counseling.

(10) "Hospice care" means: (a) Palliative care provided to a terminally ill person in a place of temporary or permanent residence that alleviates physical symptoms, including pain, as well as alleviates the emotional and spiritual discomfort associated with dying; and (b) bereavement care provided to the family of a terminally ill person that alleviates the emotional and spiritual discomfort associated with the death of a family member.

Hospice care may include health and medical services and personal care, respite, or homemaker services. Family means individuals who are important to and designated by the patient, and who need not be relatives.

(11) "Ill, disabled, or infirm persons" means persons who need home health, hospice, or home care services in order to maintain themselves in their places of temporary or permanent residence.

(12) "Personal care services" means services that assist ill, disabled, or infirm persons with dressing, feeding, and personal hygiene to facilitate self-care.

(13) "Respite care services" means services that assist or support the primary care giver on a scheduled basis.

NEW SECTION. Sec. 3. (1) After July 1, 1990, no private or public agency or organization may advertise, operate, manage, conduct, open, or maintain a home health agency without first obtaining a home health agency license from the department.

(2) After July 1, 1990, no private or public agency or organization may advertise, operate, manage, conduct, open, or maintain a hospice agency without first obtaining a hospice agency license from the department.

(3) After July 1, 1990, no public or private agency or organization may advertise, operate, manage, conduct, open, or maintain a home care agency without first obtaining a home care agency license from the department.

NEW SECTION. Sec. 4. (1) No person may use the words "home health agency," "home health care services," or "visiting nurse services" in its corporate or business name, or advertise using such words unless licensed as a home health agency under this chapter.

(2) No person may use the words "hospice agency" or "hospice care" in its corporate or business name, or advertise using such words unless licensed as a hospice agency under this chapter.

(3) No person may use the words "home care agency" or "home care services" in its corporate or business name, or advertise using such words unless licensed as a home care agency under this chapter.

NEW SECTION. Sec. 5. The following are not subject to regulation for the purposes of this chapter:

(1) A family member;

(2) An organization that provides only meal services in a person's residence;

(3) Entities furnishing durable medical equipment that does not involve the delivery of professional services beyond those necessary to set up and monitor the proper functioning of the equipment and educate the user on its proper use;

(4) A person who provides services through a contract with a licensed agency;

(5) An employee or volunteer of a licensed agency who provides services only as an employee or volunteer;

(6) Facilities and institutions, including but not limited to nursing homes under chapter 18.51 RCW, hospitals under chapter 70.41 RCW, boarding homes under chapter 18.20 RCW, developmental disability residential programs under chapter 71.12 RCW, or other facilities and institutions, only when providing services to persons residing within the facility or institution if the delivery of the services is regulated by the state;

(7) Persons providing care to disabled persons through a contract with the department;

(8) Nursing homes, hospitals, or other institutions, agencies, organizations, or persons that contract with licensed home health, hospice, or home care agencies for the delivery of services;

(9) In-home assessments of an ill, disabled, or infirm person's ability to adapt to the home environment that does not result in regular ongoing care at home;

(10) Services conducted by and for the adherents of a church or religious denomination that rely upon spiritual means alone through prayer for healing in accordance with the tenets and practices of such church or religious denomination and the bona fide religious beliefs genuinely held by such adherents;

(11) A medicare-approved dialysis center operating a medicare-approved home dialysis program;

(12) Case management services which do not include the direct delivery of home health, hospice, or home care services.

NEW SECTION. Sec. 6. Notwithstanding sections 3(2) and 4(2) of this act, a volunteer organization that provides hospice care without receiving compensation for delivery of services that does not meet the licensure requirements of this chapter for a hospice agency may use the phrase "volunteer hospice" if the volunteer organization was formed prior to January 1, 1988, and the organization notifies the department prior to July 1, 1989. This section shall not be considered an exemption from the home health agency or home care agency license provisions of this chapter.

NEW SECTION. Sec. 7. Except as exempt under section 5 (6) and (8) of this act, a nursing home licensed under chapter 18.51 RCW is not exempt from the requirements of this chapter when the nursing home is functioning as a home health, hospice, or home care agency.

NEW SECTION. Sec. 8. Except as exempt under section 5 (6) and (8) of this act, a hospital licensed under chapter 70.41 RCW is not exempt from the requirements of this chapter when the hospital is functioning as a home health, hospice, or home care agency.

NEW SECTION. Sec. 9. (1) An applicant for a home health, hospice, or home care agency license shall:

(a) File a written application on a form provided by the department;
(b) Demonstrate ability to comply with this chapter and the rules adopted under this chapter;

(c) Cooperate with on-site review conducted by the department prior to licensure or renewal;

(d) Provide evidence of and maintain professional liability insurance in the amount of one hundred thousand dollars per occurrence or adequate self-insurance as approved by the department. This subsection shall not apply to hospice agency applicants that provide hospice care without receiving compensation for delivery of services;

(e) Provide evidence of and maintain public liability and property damage insurance coverage in the sum of fifty thousand dollars for injury or damage to property per occurrence and fifty thousand dollars for injury or damage, including death, to any one person and one hundred thousand dollars for injury or damage, including death, to more than one person, or evidence of adequate self-insurance for public liability and property damage as approved by the department. This subsection shall not apply to hospice agency applicants that provide hospice care without receiving compensation for delivery of services;

(f) Provide such proof as the department may require concerning organizational and governance structure, and the identity of the applicant, officers, directors, partners, managing employees, or owners of ten percent or more of the applicant's assets;

(g) File with the department a list of the counties in which the applicant will operate;

(h) File with the department a list of the services offered;

(i) Pay to the department a license fee as provided in section 10 of this act; and

(j) Provide any other information that the department may reasonably require.

(2) A certificate of need under chapter 70.38 RCW is not required for licensure.

(3) A license or renewal shall not be granted pursuant to this chapter if the applicant, officers, directors, partners, managing employees, or owners of ten percent or more of the applicant's assets, within the last five years have been found in a civil or criminal proceeding to have committed any act which reasonably relates to the person's fitness to establish, maintain, or administer an agency or to provide care in the home of another.

(4) A separate license is not required for a branch office.

NEW SECTION. Sec. 10. An application for a license or any renewal shall be accompanied by a fee as established by the department under RCW 43.20B.110. A surcharge no greater than fifty dollars per year may be assessed for the period of time necessary to repay the cost of implementing this chapter.

NEW SECTION. Sec. 11. Upon receipt of an application under section 9 of this act for a license and the license fee, the department shall issue a license if the applicant meets the requirements established under this chapter. All persons operating as home health, hospice, or home care agencies before July 1, 1989, shall submit their applications and application fees by July 1, 1989. In addition, issuance of a license is conditioned on the department conducting an on-site review. A license issued under this chapter shall not be transferred or assigned without thirty days prior notice to the department and the department's approval. A license, unless suspended or revoked, may be effective for a period of up to two years, at the discretion of the department. The department may establish penalty fees for failure to apply for licensure or renewal as required by this chapter.

NEW SECTION. Sec. 12. The department shall adopt rules providing for the combination of applications and licenses, and the reduction of individual license fees if an applicant applies for more than one category of license under this chapter. The department shall provide for combined licensure inspections and audits for licensees holding more than one license under this chapter.

NEW SECTION. Sec. 13. The department shall adopt rules consistent with section 1 of this act necessary to implement this chapter under chapter 34.04 RCW. In order to ensure safe and adequate care, the rules shall address at a minimum the following:

- (1) Maintenance and preservation of all records relating directly to the care and treatment of persons by licensees;
- (2) Establishment of a procedure for the receipt, investigation, and disposition of complaints by the department regarding services provided by licensees;
- (3) Establishment and implementation of a plan for on-going care of persons and preservation of records if the licensee ceases operations;
- (4) Supervision of services;
- (5) Maintenance of written policies regarding response to referrals and access to services at all times;
- (6) Maintenance of written personnel policies and procedures and personnel records that provide for prehire screening, minimum qualifications, regular performance evaluations, including observation in the home, participation in orientation and in-service training, and involvement in quality assurance activities. The department may not establish qualifications for licensed professionals other than those required for licensure; and
- (7) Maintenance of written policies on obtaining regular reports on patient satisfaction.

NEW SECTION. Sec. 14. Licensees shall conform to the standards of RCW 69.41.030 and 69.50.308.

NEW SECTION. Sec. 15. (1) A licensee shall provide each person or designated representative with a written bill of rights affirming each person's right to:

(a) A listing of the services offered by the agency and those being provided;

(b) The name of the person supervising the care and the manner in which that person may be contacted;

(c) A description of the process for submitting and addressing complaints;

(d) A statement advising the person or representative of the right to participate in the development of the plan of care;

(e) A statement providing that the person or representative is entitled to information regarding access to the department's registry of providers and to select any licensee to provide care, subject to the patient's reimbursement mechanism or other relevant contractual obligations;

(f) Be treated with courtesy, respect, privacy, and freedom from abuse and discrimination;

(g) Refuse treatment or services;

(h) Have patient records be confidential; and

(i) Have properly trained staff and coordination of services.

(2) Upon request, a licensee shall provide each person or designated representative with a fully itemized billing statement at least monthly, including the date of each service and the charge. Licensees providing services through a managed care plan shall not be required to provide itemized billing statements.

NEW SECTION. Sec. 16. No licensee or employee may hold a durable power of attorney on behalf of any person who is receiving care from the licensee.

NEW SECTION. Sec. 17. In order to assist in the administration of this chapter, the department may adopt rules under chapter 34.04 RCW to provide that a home health or hospice agency certified pursuant to chapter 70.126 RCW immediately before the effective date of this section continues to operate under that certification through the expiration date of the certificate without obtaining a license under this chapter.

NEW SECTION. Sec. 18. Pursuant to chapter 34.04 RCW, the department may deny, suspend, or revoke a license under this chapter or, in lieu thereof or in addition thereto, assess monetary penalties of a civil nature not to exceed one thousand dollars per violation in any case in which it finds that the licensee, or any applicant, officer, director, partner, managing employee, or owner of ten percent or more of the applicant's or licensee's assets:

(1) Failed or refused to comply with the requirements of this chapter or the standards or rules adopted under this chapter;

(2) Was the holder of a license issued pursuant to this chapter that was revoked for cause and never reissued by the department, or that was suspended for cause and the terms of the suspension have not been fulfilled and the licensee has continued to operate;

(3) Has knowingly or with reason to know made a false statement of a material fact in the application for the license or any data attached thereto or in any record required by this chapter or matter under investigation by the department;

(4) Refused to allow representatives of the department to inspect any book, record, or file required by this chapter to be maintained or any portion of the licensee's premises;

(5) Wilfully prevented, interfered with, or attempted to impede in any way the work of any representative of the department and the lawful enforcement of any provision of this chapter;

(6) Wilfully prevented or interfered with any representative of the department in the preservation of evidence of any violation of this chapter or the rules adopted under this chapter;

(7) Failed to pay any civil monetary penalty assessed by the department pursuant to this chapter within ten days after the assessment becomes final;

(8) Used advertising that is false, fraudulent, or misleading;

(9) Has repeated incidents of personnel performing services beyond their authorized scope of practice; or

(10) Misrepresented or was fraudulent in any aspect of the conduct of the licensee's business.

NEW SECTION. Sec. 19. The department may at any time conduct an on-site review of a licensee or conduct in-home visits in order to determine compliance with this chapter. The department may also examine and audit records necessary to determine compliance with this chapter. The right to conduct an on-site review and audit and examination of records shall extend to any premises and records of persons whom the department has reason to believe are providing home health, hospice, or home care without a license.

Following an on-site review, in-home visit, or audit, the department shall give written notice of any violation of this chapter or the rules adopted under this chapter. The notice shall describe the reasons for noncompliance and inform the licensee that it must comply within a specified reasonable time, not to exceed sixty days. If the licensee fails to comply, the licensee is subject to disciplinary action under section 18 of this act.

NEW SECTION. Sec. 20. All information received by the department through filed reports, audits, on-site reviews, in-home visits, or as otherwise authorized under this chapter shall not be disclosed publicly in any manner that would identify persons receiving care under this chapter.

NEW SECTION. Sec. 21. Notwithstanding the existence or use of any other remedy, the department may, in the manner provided by law and upon the advice of the attorney general, who shall represent the department in the proceedings, maintain an action in the name of the state for an injunction or other process against any person to restrain or prevent the advertising, operating, maintaining, managing, or opening of a home health, hospice, or home care agency without a license under this chapter.

NEW SECTION. Sec. 22. Any person violating section 3 of this act is guilty of a misdemeanor. Each day of a continuing violation is a separate violation.

NEW SECTION. Sec. 23. The department shall compile a registry of all licensed home health, hospice, and home care agencies, both alphabetically and by county. Copies of the registry shall be made available to members of the general public at a nominal printing charge.

PART II HOME HEALTH CARE

NEW SECTION. Sec. 24. In addition to the exemptions in section 5 of this act, a hospice agency delivering home health care integrally related to the delivery of hospice care or a health care practitioner who provides a single home health service that is not a part of a coordinated delivery of more than one service is not a home health agency for the purposes of this chapter.

NEW SECTION. Sec. 25. (1) In addition to the rules consistent with section 1 of this act adopted under section 13 of this act, the department shall adopt rules for home health agencies which address the following:

(a) Establishment of case management guidelines for acute and maintenance care patients;

(b) Establishment of guidelines for periodic review of the home health care plan of care and plan of treatment by appropriate health care professionals; and

(c) Maintenance of written policies regarding the delivery and supervision of patient care and clinical consultation as necessary by appropriate health care professionals.

(2) As used in this section:

(a) "Acute care" means care provided by a home health agency for patients who are not medically stable or have not attained a satisfactory level of rehabilitation. These patients require frequent monitoring by a health care professional in order to maintain their health status.

(b) "Maintenance care" means care provided by home health agencies that is necessary to support an existing level of health and to preserve a patient from further failure or decline.

(c) "Home health plan of care" means a written plan of care established by a home health agency by appropriate health care professionals

that describes maintenance care to be provided. A patient or his or her representative shall be allowed to participate in the development of the plan of care to the extent practicable.

(d) "Home health plan of treatment" means a written plan of care established by a physician licensed under chapter 18.57 or 18.71 RCW, a podiatrist licensed under chapter 18.22 RCW, or an advanced registered nurse practitioner as authorized by the board of nursing under chapter 18.88 RCW, in consultation with appropriate health care professionals within the agency that describes medically necessary acute care to be provided for treatment of illness or injury.

PART III HOSPICES

NEW SECTION. Sec. 26. (1) In addition to the rules consistent with section 1 of this act adopted under section 13 of this act, the department shall adopt rules for hospice agencies which address the following:

(a) Establishment of guidelines for periodic review of the hospice plan of care;

(b) Written policies requiring availability of twenty-four hour seven days a week hospice registered nurse consultation and in-home services as appropriate;

(c) Quality assurance activities to include the involvement of interdisciplinary professionals;

(d) Maintenance of written policies regarding interdisciplinary team communication as appropriate and necessary; and

(e) Written policies regarding the use and availability of volunteers to provide family support and respite when requested.

(2) As used in this section "hospice plan of care" means a written plan of care established by a physician and reviewed by other members of the interdisciplinary team describing hospice care to be provided.

PART IV HOME CARE

NEW SECTION. Sec. 27. In addition to the exemptions in section 5 of this act, a home health or hospice agency delivering home care as an integral part of the delivery of home health or hospice care, an individual providing home care through a direct agreement with the recipient of care, an individual providing home care through a direct agreement with a third party payor where comparable services are not readily available through a home care agency, or a volunteer organization that provides home care without compensation, is not a home care agency for the purposes of this chapter.

NEW SECTION. Sec. 28. In addition to the rules adopted under section 13 of this act, the department shall adopt rules consistent with section 1

of this act for home care agencies which address delivery of services according to a home care plan of care.

As used in this section, "home care plan of care" means a written plan of care that is established and periodically reviewed by a home care agency that describes the home care to be provided.

PART V INSURANCE

Sec. 29. Section 5, chapter 249, Laws of 1983 as amended by section 4, chapter 22, Laws of 1984 and RCW 70.126.010 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Hospice" means a private or public agency or organization that administers and provides hospice care and is ~~((certified))~~ licensed by the department of social and health services as a hospice care agency.

(2) "Hospice care" means care prescribed and supervised by the attending physician and provided by the hospice to the terminally ill in accordance with the standards of RCW 70.126.030.

(3) "Home health agency" means a private or public agency or organization that administers and provides home health care and is ~~((certified))~~ licensed by the department of social and health services as a home health care agency.

(4) "Home health care" means services, supplies, and medical equipment that meet the standards of RCW 70.126.020, prescribed and supervised by the attending physician, and provided through a home health agency and rendered to members in their residences when hospitalization would otherwise be required.

(5) "Home health aide" means a person employed by a home health agency or a hospice who is providing part-time or intermittent care under the supervision of a registered nurse, a physical therapist, occupational therapist, or speech therapist. Such care includes ambulation and exercise, assistance with ~~((medications—ordinarily))~~ self-administered medications, reporting changes in patients' conditions and needs, completing appropriate records, and personal care or household services that are needed to achieve the medically desired results.

(6) "Home health care plan of treatment" means a written plan of care established and periodically reviewed by a physician that describes medically necessary home health care to be provided to a patient for treatment of illness or injury.

(7) "Hospice plan of care" means a written plan of care established and periodically reviewed by a physician that describes hospice care to be provided to a terminally ill patient for palliation or medically necessary treatment of an illness or injury.

(8) "Physician" means a physician licensed under chapter 18.57 or 18.71 RCW.

NEW SECTION. Sec. 30. A new section is added to chapter 70.126 RCW to read as follows:

The provisions of this chapter apply only for the purposes of determining benefits to be included in the offering of optional coverage for home health and hospice care services, as provided in RCW 48.21.220, 48.21A-.090, and 48.44.320 and do not apply for the purposes of licensure.

Sec. 31. Section 1, chapter 249, Laws of 1983 as amended by section 1, chapter 22, Laws of 1984 and RCW 48.21.220 are each amended to read as follows:

(1) Every insurer entering into or renewing group or blanket disability insurance policies governed by this chapter shall offer optional coverage for home health care and hospice care for persons who are homebound and would otherwise require hospitalization. Such optional coverage need only be offered in conjunction with a policy that provides payment for hospitalization as a part of health care coverage.

(2) Home health care and hospice care coverage offered under subsection (1) of this section shall conform to the following standards, limitations, and restrictions in addition to those set forth in chapter 70.126 RCW:

(a) The coverage may include reasonable deductibles, coinsurance provisions, and internal maximums;

(b) The coverage should be structured to create incentives for the use of home health care and hospice care as an alternative to hospitalization;

(c) The coverage may contain provisions for utilization review and quality assurance;

(d) The coverage may require that home health agencies and hospices have written treatment plans approved by a physician licensed under chapter 18.57 or 18.71 RCW, and may require such treatment plans to be reviewed at designated intervals;

(e) The coverage shall provide benefits for, and ~~((may))~~ restrict benefits to, services rendered by home health and ~~((hospices certified))~~ hospice agencies licensed by the department of social and health services;

(f) Hospice care coverage shall provide benefits for terminally ill patients for an initial period of care of not less than six months and may provide benefits for an additional six months of care in cases where the patient is facing imminent death or is entering remission if certified in writing by the attending physician;

(g) Home health care coverage shall provide benefits for a minimum of one hundred thirty health care visits per calendar year. However, a visit of any duration by an employee of a home health agency for the purpose of providing services under the plan of treatment constitutes one visit;

(h) The coverage may be structured so that services or supplies included in the primary contract are not duplicated in the optional home health and hospice coverage.

(3) The insurance commissioner shall adopt any rules necessary to implement this section.

(4) The requirements of this section shall not apply to contracts or policies governed by chapter 48.66 RCW.

(5) An insurer, as a condition of reimbursement, may require compliance with home health and hospice certification regulations established by the United States department of health and human services.

Sec. 32. Section 2, chapter 249, Laws of 1983 as amended by section 2, chapter 22, Laws of 1984 and RCW 48.21A.090 are each amended to read as follows:

(1) Every insurer entering into or renewing extended health insurance governed by this chapter shall offer optional coverage for home health care and hospice care for persons who are homebound and would otherwise require hospitalization. Such optional coverage need only be offered in conjunction with a policy that provides payment for hospitalization as a part of health care coverage.

(2) Home health care and hospice care coverage offered under subsection (1) of this section shall conform to the following standards, limitations, and restrictions in addition to those set forth in chapter 70.126 RCW:

(a) The coverage may include reasonable deductibles, coinsurance provisions, and internal maximums;

(b) The coverage should be structured to create incentives for the use of home health care and hospice care as an alternative to hospitalization;

(c) The coverage may contain provisions for utilization review and quality assurance;

(d) The coverage may require that home health agencies and hospices have written treatment plans approved by a physician licensed under chapter 18.57 or 18.71 RCW, and may require such treatment plans to be reviewed at designated intervals;

(e) The coverage shall provide benefits for, and ~~((may))~~ restrict benefits to, services rendered by home health and ~~((hospices certified))~~ hospice agencies licensed by the department of social and health services;

(f) Hospice care coverage shall provide benefits for terminally ill patients for an initial period of care of not less than six months and may provide benefits for an additional six months of care in cases where the patient is facing imminent death or is entering remission if certified in writing by the attending physician;

(g) Home health care coverage shall provide benefits for a minimum of one hundred thirty health care visits per calendar year. However, a visit of any duration by an employee of a home health agency for the purpose of providing services under the plan of treatment constitutes one visit;

(h) The coverage may be structured so that services or supplies included in the primary contract are not duplicated in the optional home health and hospice coverage.

(3) The insurance commissioner shall adopt any rules necessary to implement this section.

(4) The requirements of this section shall not apply to contracts or policies governed by chapter 48.66 RCW.

(5) An insurer, as a condition of reimbursement, may require compliance with home health and hospice certification regulations established by the United States department of health and human services.

Sec. 33. Section 3, chapter 249, Laws of 1983 as amended by section 3, chapter 22, Laws of 1984 and RCW 48.44.320 are each amended to read as follows:

(1) Every health care service contractor entering into or renewing a group health care service contract governed by this chapter shall offer optional coverage for home health care and hospice care for persons who are homebound and would otherwise require hospitalization. Such optional coverage need only be offered in conjunction with a policy that provides payment for hospitalization as a part of health care coverage.

(2) Home health care and hospice care coverage offered under subsection (1) of this section shall conform to the following standards, limitations, and restrictions in addition to those set forth in chapter 70.126 RCW:

(a) The coverage may include: reasonable deductibles, coinsurance provisions, and internal maximums;

(b) The coverage should be structured to create incentives for the use of home health care and hospice care as an alternative to hospitalization;

(c) The coverage may contain provisions for utilization review and quality assurance;

(d) The coverage may require that home health agencies and hospices have written treatment plans approved by a physician licensed under chapter 18.57 or 18.71 RCW, and may require such treatment plans to be reviewed at designated intervals;

(e) The coverage shall provide benefits for, and ~~((may))~~ restrict benefits to, services rendered by home health and ~~((hospices-certified))~~ hospice agencies licensed by the department of social and health services;

(f) Hospice care coverage shall provide benefits for terminally ill patients for an initial period of care of not less than six months and may provide benefits for an additional six months of care in cases where the patient is facing imminent death or is entering remission if certified in writing by the attending physician;

(g) Home health care coverage shall provide benefits for a minimum of one hundred thirty health care visits per calendar year. However, a visit of any duration by an employee of a home health agency for the purpose of providing services under the plan of treatment constitutes one visit;

(h) The coverage may be structured so that services or supplies included in the primary contract are not duplicated in the optional home health and hospice coverage.

(3) The insurance commissioner shall adopt any rules necessary to implement this section.

(4) The requirements of this section shall not apply to contracts or policies governed by chapter 48.66 RCW.

(5) An insurer, as a condition of reimbursement, may require compliance with home health and hospice certification regulations established by the United States department of health and human services.

PART VI MISCELLANEOUS

NEW SECTION. Sec. 34. The following acts or parts of acts are each repealed:

(1) Section 8, chapter 249, Laws of 1983, section 7, chapter 22, Laws of 1984 and RCW 70.126.040; and

(2) Section 9, chapter 249, Laws of 1983 and RCW 70.126.050.

NEW SECTION. Sec. 35. Sections 1 through 28 of this act shall constitute a new chapter in Title 70 RCW.

NEW SECTION. Sec. 36. The sum of thirty-eight thousand eight hundred seventy-five dollars, or so much thereof as may be necessary, is appropriated from the general fund for the biennium ending June 30, 1989, to the department of social and health services for the purpose of implementing this act on its effective date.

NEW SECTION. Sec. 37. This act shall take effect July 1, 1989. The department may, beginning on July 1, 1988, take such steps as are necessary to insure that this act is implemented on its effective date.

NEW SECTION. Sec. 38. Sections 2 through 28 of this act shall expire on July 1, 1993. The legislative budget committee shall conduct a program and fiscal review of the implementation of sections 2 through 28 of this act by December 31, 1992. The review shall contain recommendations regarding continuation, modification, or elimination of sections 2 through 28 of this act.

NEW SECTION. Sec. 39. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed the Senate March 7, 1988.

Passed the House March 4, 1988.

Approved by the Governor March 24, 1988.

Filed in Office of Secretary of State March 24, 1988.