Oversight of Hospital Data Reporting, Inspections, and Complaints

PROPOSED FINAL REPORT | JULY 2025

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Legislative Auditor's conclusion

The Department of Health (DOH) does not complete inspections on time, ensure third-party inspections meet state standards, or review medical error reports. This limits its ability to ensure patient safety.

Key points

- DOH must inspect hospitals, investigate patient complaints, review hospital reports of adverse health events (i.e., avoidable medical errors), and collect and publish hospital data.
- 72% of hospital inspections were late, with nearly half overdue by 6 months or more. DOH has not specified how it will complete inspections on time.
- DOH does not know if third-party inspections meet state standards. Few hospitals share proof that inspections were completed.
- DOH does not review hospitals' reports of adverse health events as required by law.
- DOH publishes data reported by hospitals online. Other states make similar information more accessible to inform the public about health care issues.

Executive summary

In 2022, the Legislature directed the Joint Legislative Audit and Review Committee (JLARC) to evaluate DOH's oversight of hospital inspections, complaints, and data reporting.

DOH must inspect hospitals, investigate patient complaints, review hospital reports of adverse health events, and collect and publish hospital data

There are 103 acute care and behavioral health hospitals in Washington that served 720,665 patients in 2023. Acute care hospitals offer services like inpatient, outpatient, surgical, and emergency care. Behavioral health

hospitals include psychiatric hospitals and alcohol and chemical dependency hospitals.

State law requires the following:

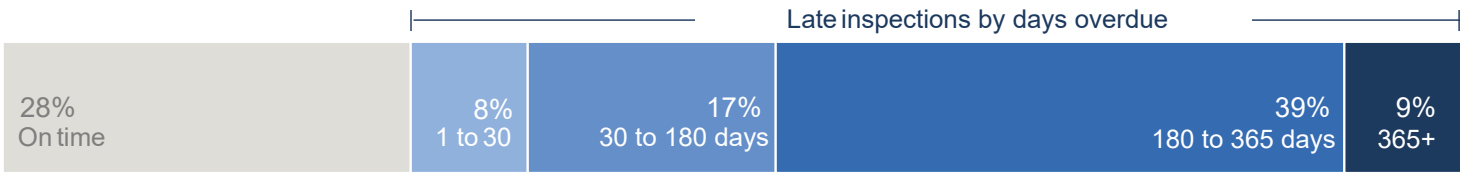
- DOH must inspect hospitals and investigate complaints related to patient well-being.
- Hospitals must report information about financial, patient discharge, and charity care to DOH.
- Hospitals must report adverse health events (i.e., avoidable medical errors) and a plan to address the event to DOH. State law requires DOH to review these plans.

72% of acute care hospitals inspections were late as of December 2024

State law requires DOH to inspect each acute care hospital "on average, at least every 18 months." The law does not specify how to calculate the average. Unlike similar health care timelines in law, it also does not set a maximum timeframe.

DOH has not met this requirement since 2015. JLARC staff analysis shows that as of December 2024, only 28% of the 93 acute care hospitals were inspected on time. Nearly half were overdue by at least 6 months. This information is based on DOH calculations. The data from DOH did not include the end dates of the most recent inspections. As such, it remains unclear how many hospitals are currently due, or overdue, for inspection.

Figure 1: 72% of hospital inspections were late



Note: Calculated as number of inspections completed on time based on average of last three inspections at each acute care hospital. Percents do not add to 100% due to rounding.

Source: JLARC staff analysis of DOH data, December 2024.

DOH has not evaluated what resources are needed to complete inspections on time

DOH states that its ability to meet the statutory timelines is limited by increased workload and other demands for inspectors' time. For example, it reports that hospitals have more licensed services and facilities, which can increase the duration and staffing for an inspection. DOH also has reassigned inspectors to support complaint investigations. DOH has not quantified how these changes affect the time or staff needed for an inspection or how these changes impact inspection timeliness.

DOH has not done a staffing analysis for the inspections unit in at least 12 years. A staffing analysis would quantify the number of inspections needed per year, the time required for each, and other demands on staff time. This would allow DOH to calculate the resources needed to complete inspections on time.

DOH does not know if third-party inspections meet state standards

Of the 93 acute care hospitals, 75 hire accrediting organizations to do federal inspections that ensure they meet standards set by the Centers for Medicare and Medicaid Services (CMS). State law allows these inspections to be used in lieu of a DOH inspection once every 36 months.

There are two conditions:

1. DOH must ensure the organization's standards are "substantially equivalent" to state standards.
2. The hospital must give DOH "documentary evidence" that it passed the inspection.

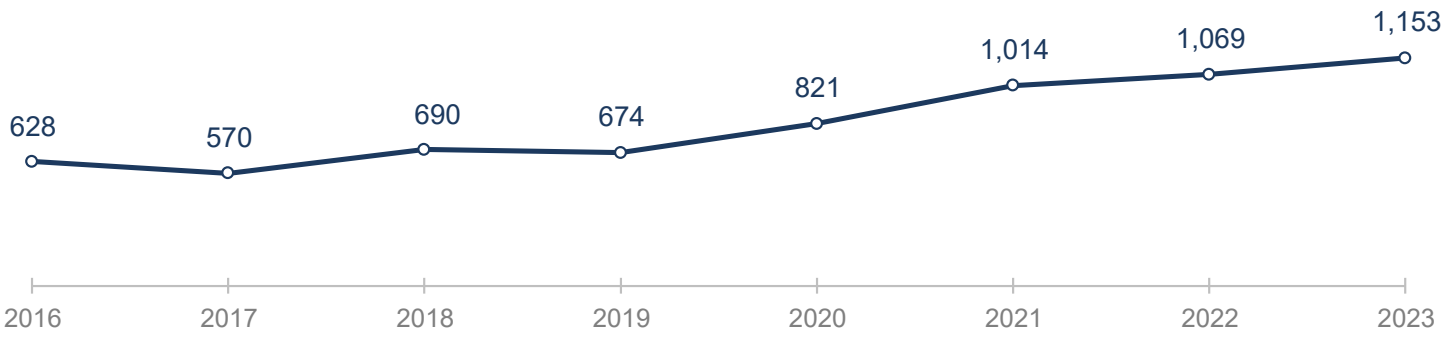
DOH has not verified any organization's standards and does not receive documentation from all hospitals that use these organizations.

DOH does not review adverse health event reports from hospitals

State law requires hospitals to report avoidable medical errors (i.e., adverse health events) to DOH. The report must include the hospital's analysis of the event and a corrective action plan. The number of adverse health events reported has increased by 84% since 2016.

State law directs DOH to investigate the event and corrective action when it deems it necessary. It must share its conclusions to help improve patient safety and decrease medical errors. However, DOH does not review or analyze these reports. Doing so could allow DOH to find common problems among hospitals and inform prevention and education efforts. DOH does not currently have dedicated funding for this work. In 2016 and 2020, DOH asked for funding to support the adverse health reporting program. Neither the governor's proposed nor the final state budgets included funding.

Figure 2: Reported adverse health events have increased by 84% since 2016



Source: JLARC staff analysis of DOH data.

DOH publishes data reported by hospitals but can make it more readily available

State law requires hospitals to report certain information to DOH. The Legislature has gradually added hospital data reporting requirements since 1973. The intent of each reporting requirement was to provide greater transparency and data to inform the public about health care issues.

Most hospitals report the required data to DOH, which posts the information on its website. However, DOH provides limited analysis of the data. For example, web visitors must download financial data for each hospital

by year, making comparisons difficult.

The Government Accountability Office and the U.S. Department of Health and Human Services offer best practices for sharing information with the public online. They include ensuring people can easily find content, making the information relevant and user-friendly, and providing comparative information. Other states make similar information more accessible to the public so they can make informed healthcare choices.

DOH investigated about 3,000 complaints in the last ten years. Two were in a language other than English.

State law requires DOH to investigate complaints related to patient well-being at hospitals in Washington. Since 2014, DOH has authorized investigations for an average of 311 complaints per year.

A 15-month pause for some investigations during the COVID-19 pandemic led to a backlog. DOH addressed the backlog by increasing staff. It used one-time state funding, increased hospital license fees, and reassigned inspectors to help investigate complaints.

DOH reports that of the nearly 3,000 complaints it has investigated in the last ten years, only two were in a language other than English. As a point of reference, in 2023, about 100,000 patients in Washington identified a language other than English as their preferred language. This is equivalent to 1 in 7 patients. Best practices suggest that agencies should assess whether language access barriers exist and whether they limit use of complaint systems.

Legislative Auditor's recommendations

1. The Legislature should consider specifying the maximum amount of time allowed between acute care hospital inspections and clarify the basis for calculating the 18-month average.
2. DOH should meet the timeline in statute for all hospital inspections and report its performance to the Legislature.
3. DOH should verify accrediting organization standards for hospital inspections and enforce the requirement for hospitals to submit proof of inspections.
4. DOH should assess whether language access barriers exist that may limit use of its complaint system.
5. DOH should review hospitals' plans to address adverse health events and provide feedback to hospitals to help prevent the reoccurrence of these events.
6. DOH should make reported hospital data more accessible to the public.

DOH concurs with these recommendations. You can find additional information in the **Recommendations section**.

Part 1.
DOH and hospitals

The Department of Health (DOH) is a 2,000-person agency that is responsible for promoting public health and access to health services. Its responsibilities include licensing health care facilities and professionals, publishing vital records, and managing other environmental and public health efforts (e.g., immunizations, shellfish safety).

In 2022, the Legislature directed JLARC to review how well DOH performed three legally-required functions of hospital oversight: inspections, patient complaint investigations, and data reporting.

Separate units within DOH conduct inspections, investigations, and data reporting

DOH has a unit dedicated to inspecting hospitals and other types of medical facilities. When fully staffed, the unit has ten inspectors:

- Six clinical nurse inspectors. They are registered nurses who focus on direct patient care. For example, they review patient charts to ensure that actions are documented and follow both hospital policy and state law.
- Four health services consultant (environmental) inspectors. They inspect other aspects of the hospital such as kitchens, equipment sterilization processes, staff credentials, and staff training.

DOH also has a unit dedicated to investigating complaints filed against hospitals. The complaint investigation unit also has a staff of 10:

- Eight clinical nurse investigators.
- Two health services consultant (environmental) investigators.

DOH has separate units responsible for gathering and reporting hospital data. In fiscal year 2024, DOH had 3.2 full-time equivalent staff for these activities.

Licensing fees support inspections and complaint investigations

Hospitals must pay an annual licensing fee to DOH to support regulatory and oversight functions. The hospital inspections and complaint investigation programs are supported by the licensing fee revenue.

Hospital data reporting is not funded through licensing fees. Most of its funding (96%) comes from the general fund; the remainder comes from dedicated revenue.

DOH can raise licensing fee costs to cover the costs of the programs as needed. DOH raised hospital license fees in 2019 and 2024. The written justification for these increases reflected staffing needs for the complaint investigation unit and implementing new legislation. The increases were not related to inspections.

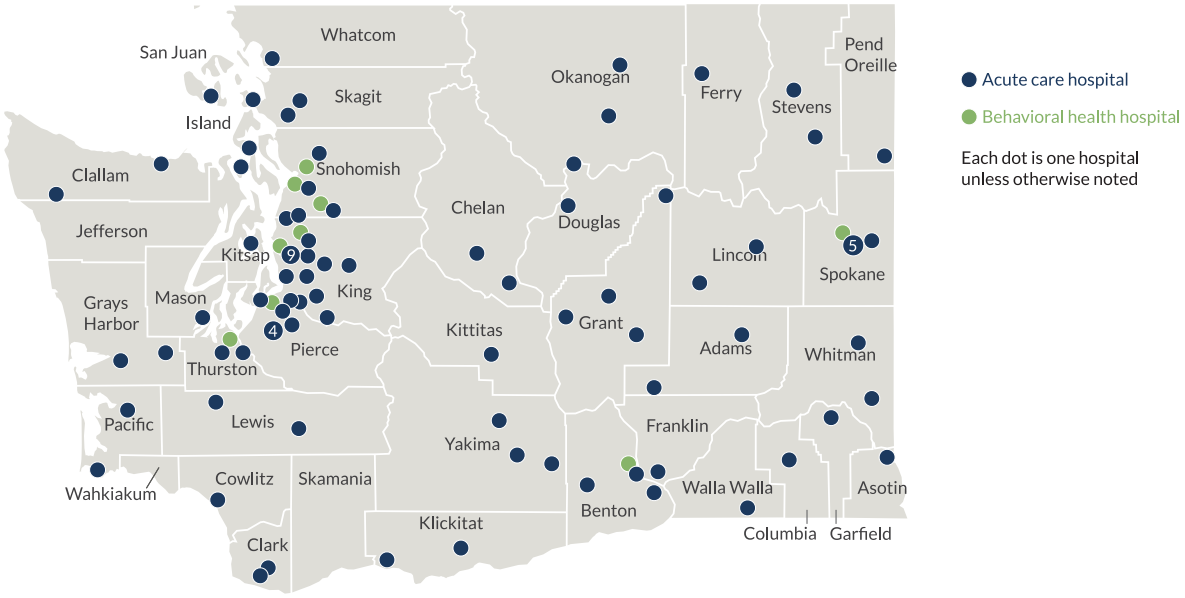
There are 103 hospitals in Washington

There are two primary types of hospitals in Washington:

1. **Acute care hospitals** may offer inpatient, outpatient, continuous nursing, or other specialized services like emergency care or surgery. They served 700,499 patients in 2023.
2. **Behavioral health hospitals** include psychiatric hospitals and alcohol and chemical dependency hospitals. These hospitals served 20,166 patients in 2023.

At the beginning of 2025, Washington had 103 hospitals. Of these, 93 are acute care and 10 are behavioral health hospitals (9 psychiatric and one that is licensed for both psychiatric and alcohol/ chemical dependency).

Figure 3: The 103 hospitals in Washington include acute care and behavioral health hospitals



Source: JLARC staff analysis of DOH data.

Part 2.
Inspection timeliness

Hospitals must hold a license to operate. By law, DOH must inspect all licensed hospitals to ensure they follow state laws, rules, and regulations.

Inspections are unannounced visits to hospitals that can last up to a week

DOH does not tell hospitals when they will be inspected. During an inspection, DOH staff:

- Review documents such as patient treatment plans, policies and procedures, and contracts with outside entities.
- Interview hospital staff.
- Observe hospital activities such as medical procedures, room cleaning, and medication distribution.

An inspection can take two to five days and involve two to eight DOH inspectors. The duration and staffing depend on the hospital's complexity and size. After the inspection, inspectors report their findings, and the hospital must submit a corrective action plan. This can take several months. DOH considers the inspection complete after it receives the hospital's **corrective action plan**.

JLARC staff joined DOH inspectors for hospital inspections. Here's an example of what we saw.

DOH sent a team of six for an inspection of a large hospital (about 400 beds). They were on site from about 8 a.m. until as late as 8 p.m. for three days.

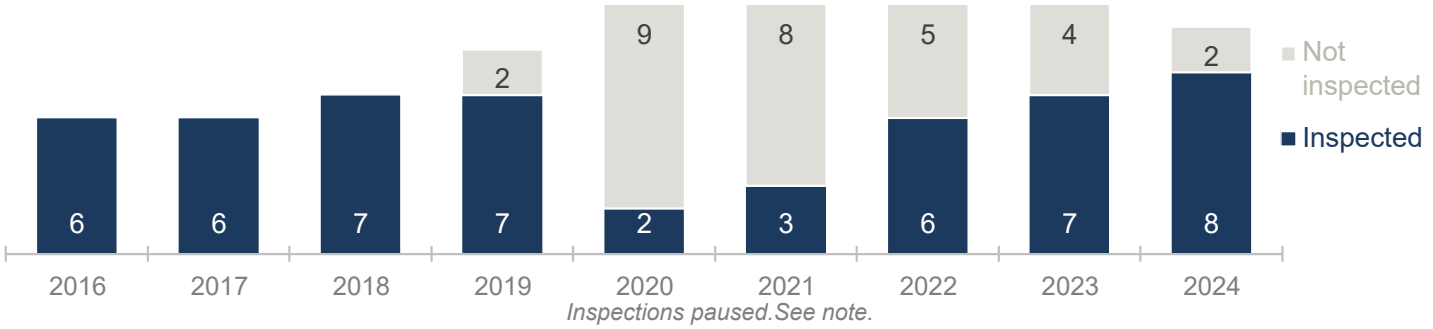
We saw the inspectors evaluate equipment sterilization, dialysis, and colonoscopy processes; food service; patient charts; rehabilitation and respiratory therapy; and post-surgical facilities. They questioned hospital staff about how they used and ensured oversight of a drug that could put a patient in danger if used incorrectly. After many conversations with hospital management, DOH determined the drug was being administered safely.

DOH completed 80% of behavioral health hospital inspections in 2024

Statute requires DOH to inspect behavioral health hospitals each year. Inspections by accrediting organizations cannot be used in lieu of a state inspection.

From 2016 to 2018, DOH inspected all behavioral health hospitals in operation (six to seven per year). While DOH has not inspected all facilities in any year since 2018, its performance has improved since it paused inspections in 2020. In 2024, it inspected eight of the ten licensed hospitals.

Figure 4: Since 2020, DOH has increased the number of behavioral health hospitals it inspects each year



Note: DOH paused behavioral health hospital inspections from March 2020 to May 2021 due to the COVID-19 pandemic.

Source: JLARC staff analysis of DOH data.

Acute care hospitals must be inspected every 18 months on average

State law requires DOH to inspect each acute care hospital "on average, at least every 18 months." The law does not specify how many years or inspections should be included when calculating the average. Also, unlike some similar laws, this statute does not specify the maximum time that can pass between inspections. This means there can be significant variation.

DOH calculates the 18-month average based on the days between the last three inspections. Specifically, it measures the time from the end of each inspection to the start of the next. The average must be under 548 days.

Figure 5: DOH calculates the 18-month average based on the days between the last three inspections (hypothetical example shown)

Inspection 1	Inspection 2 start date	Inspection 2 end date	Inspection 3 start date	Average days
Jan. 15, 2015	July 18, 2016 (550 days)	Sept. 15, 2016	Feb. 10, 2018 (513 days)	532 days

Source: JLARC staff analysis of statute and DOH data.

Many acute care hospitals hire accrediting organizations to do inspections that are required by the Centers for Medicare and Medicaid Services (CMS). State law allows them to count this inspection in lieu of a state inspection once every 36 months, if they meet certain conditions. DOH includes these inspections when calculating the 18-month average. More information about these inspections is in **Part 3**.

DOH is not inspecting acute care hospitals within the legal timeframe

From 2015 through 2019, DOH completed an average of 41 inspections per year. DOH paused inspections in 2020 as staff were reassigned to support pandemic response. From May 2021 through 2024, DOH averaged 31 inspections per year.

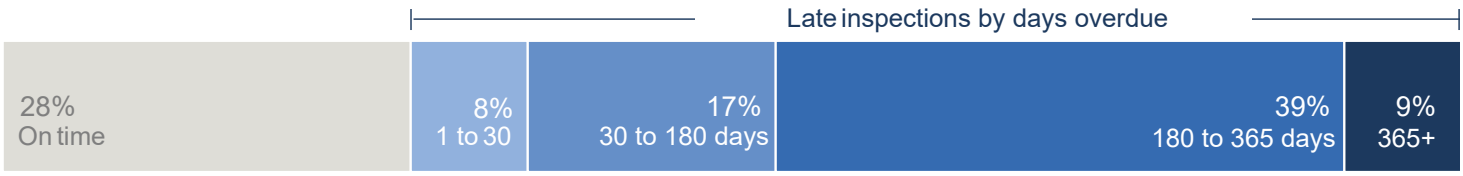
JLARC staff analysis shows that as of December 2024:

- DOH or an accrediting organization had inspected 26 out of 93 acute care hospitals on time (28%). This means 72% of hospital inspections were late.
- This is a drop from December 2019, when DOH data showed that 81% of acute care hospitals were inspected on time.
- The effect of delayed inspections on health outcomes, the number of inspection findings, complaints, and adverse health events is unknown.

If a hospital uses an accrediting organization, DOH should inspect it every three years. The data shows that 23 hospitals had delays of six to seven years between DOH inspections. One had not been inspected by DOH since February 2018.

This information is based on DOH calculations. The data from DOH did not include the end dates of the most recent inspections. As such, it remains unclear how many hospitals are currently due or overdue for inspection. Information about the calculation is in **Appendix A**.

Figure 6: 72% of hospital inspections were late as of December 2024



Note: Calculated as number of inspections completed on time based on average of last three inspections at each acute care hospital. Percents do not add to 100% due to rounding.

Source: JLARC staff analysis of DOH inspection data, December 2024.

DOH states that workload and staffing affect its timeliness

DOH states that its ability to meet the statutory timelines is limited by increased workload and other demands for inspectors' time:

- DOH reports that hospitals have increased the number of licensed services (e.g., pediatric care) and facilities (e.g., stand-alone clinics). These can increase the duration and staffing for the inspection.
- DOH inspectors also inspect medical facilities. They are not affiliated with the 103 hospitals. These separately licensed facilities include birthing centers, mobile x-ray providers, outpatient physical therapy, and transplant centers.
- DOH has temporarily reassigned inspectors to investigate complaints (Part 4) and support pandemic response at various times in the last four years.

DOH has been closer to meeting the annual inspection requirement for behavioral health hospitals because each hospital must be inspected annually. With ten hospitals, this means it must do about one per month.

DOH has not evaluated the impact of workload changes or what resources are needed to complete inspections on time

DOH has not determined how the workload changes above affect the resources needed for an inspection or inspection timeliness. DOH states that it expects to reach the 18-month average inspection time for most facilities by 2028 or 2029. However, it has not developed a clear implementation plan, staffing analysis, or benchmarks to support that projection.

As noted in Part 1, when fully staffed, the inspections unit has ten inspectors. In the last eight years, the unit has been fully staffed for only one year.

Despite the reported increase in workload, DOH has not done a staffing analysis for inspections in at least 12 years. A staffing analysis would quantify the following:

- Number of inspections DOH needs to complete each year and the number that can be completed by accrediting organizations.
- Number and type of inspectors needed for each hospital inspection.
- Time needed to complete each hospital inspection.
- Staff time needed to complete other work.
- Administrative support needed for ongoing inspection tracking.

DOH has some of this data. For example, it knows the amount of time inspection staff spend preparing for, conducting, and following up on inspections. Once it gathers and quantifies other information, DOH could calculate the resources needed to complete inspections on time.

With few exceptions, state law allows hospitals to self-attest that they corrected deficiencies

DOH informs hospitals when it finds a deficiency during an inspection. By law, both behavioral health and acute care hospitals must submit a plan to resolve the problem.

- In addition to the plan, behavioral health hospitals must submit progress reports after 30 days and correct the problem within 60 days.
- Acute care hospitals do not need to submit progress reports. However, if the problem is an immediate threat to life or patient safety, the hospital must correct it within 24 hours. DOH will reinspect. Also, if the problem violates federal regulations, CMS requires the state to reinspect within 90 days.

In 2020 and 2021, the Legislature gave DOH the ability to fine hospitals for repeat violations of the same deficiency. DOH has adopted rules that set fine amounts based on the severity of the deficiency. It reports that it has cited several facilities for repeat violations and may issue the fines, pending review of the evidence.

Part 3.
Third-party inspections

Acute care and behavioral health hospitals must meet federal requirements to receive Medicare reimbursements. The Centers for Medicare and Medicaid Services (CMS) sets the requirements.

CMS requires hospitals to be inspected every 36 months. A hospital can hire a CMS-approved accrediting organization to do the inspection. If the hospital uses DOH inspectors to complete the CMS inspection, DOH is reimbursed for the work.

Of the 93 acute care hospitals in Washington:

- 75 hire an accrediting organization (81%).
- 18 use the DOH inspection process (19%).

Hospitals can substitute a third-party inspection for some state inspections

State law requires DOH to inspect hospitals "on average, at least every 18 months." By law, a hospital can use an accrediting organization inspection in lieu of every other state inspection if two conditions are met.

1. DOH verifies that the accrediting organization's inspection standards are "substantially equivalent" to state requirements.
2. The hospital must give DOH "documentary evidence" that it passed the inspection.

DOH has not verified accrediting organization standards are substantially equivalent to Washington state requirements

Each accrediting organization writes its own inspection standards. While CMS approves these standards, they can vary from CMS requirements. In addition, state and federal laws and requirements can differ. As a result, an organization's standards may not be substantially equivalent to the state requirements that DOH uses for hospital inspections. DOH reports that it has not verified the accrediting organizations' standards. It is outside the scope of this study to do the comparison, but JLARC staff identified several changes to the organizations' standards since 2021.

Hospitals pay the organizations to be accredited. CMS has raised concerns nationally about the objectivity of some accrediting organization inspections.

DOH does not receive accrediting organization inspection documentation from all hospitals

When a hospital uses an accrediting organization, it must give "documentary evidence" that it passed the inspection to DOH. However, DOH said that most hospitals do not send the information. It does not keep track of which hospitals do and which do not.

DOH records the accrediting organization's planned inspection regardless of whether it receives the evidence or verifies that the inspection happened. This raises two concerns:

1. Without verification that a third-party inspection occurred, DOH may miscalculate when it needs to perform its next inspection.
2. DOH uses its own previous reports to identify deficiencies and areas of focus for the next inspection. Without the reports from accrediting organizations, DOH may be unaware of more recent problems.

Part 4.
Complaint investigations

State law requires DOH to investigate complaints related to patient well-being at hospitals in Washington.

DOH investigates complaints based on a risk assessment

Common complaints that DOH investigates include issues related to patient abuse or neglect, medication errors or mistakes, and patient injuries or falls.

DOH has a formal process for investigating complaints:

1. DOH authorizes an investigation if the complaint alleges that the hospital violated a rule or law and DOH has the authority to investigate.
    a. If DOH does not authorize an investigation, it informs the complainant. It may refer them to a proper enforcement agency. For example, the Washington Medical Commission and Washington State Board of Nursing handle complaints about specific personnel.
2. DOH prioritizes the complaint based on the risk to the patient. Higher risk means a faster response, as discussed below.
3. Investigators interview the complainant and hospital staff. They also review documents including medical records, policies, and procedures.
4. Investigators report their findings and conclude whether the hospital committed a violation. DOH notifies the hospital and the complainant of the results.

If the investigation finds that the hospital committed a violation, the hospital must give DOH a corrective action plan. State law does not require DOH to revisit the hospital to ensure that corrective action took place. However, DOH will revisit the hospital for federal complaints or if the complaint involved serious injury, harm, impairment, or death.

Between 2014 and 2023, DOH completed 80% of investigations within 170 days. This timeframe is the department's goal.

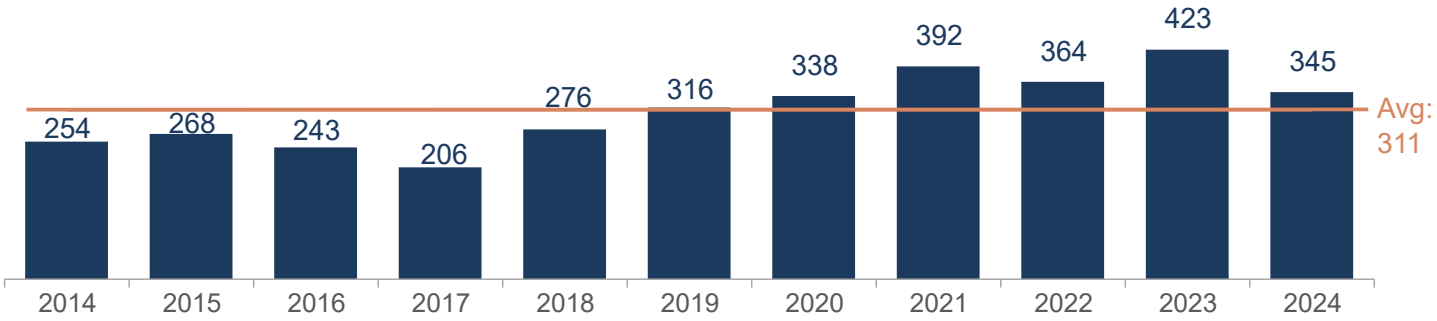
Figure 7: DOH has a process to handle complaint investigations

Source: JLARC staff analysis of DOH complaint investigation process.

Complaints investigated by DOH have increased since 2014

DOH has seen an increase in the number of complaints it investigates each year. In 2014, DOH investigated 254 complaints. In 2024, it investigated 345 complaints, a 36% increase.

Figure 8: DOH authorizes investigations for about 311 complaints per year



Source: JLARC staff analysis of DOH complaint data, 2014-2024.

DOH is meeting or close to meeting its investigation response goals

DOH prioritizes investigations based on three risk categories: immediate, serious, and moderate. The prioritization determines how quickly the investigation begins.

Immediate jeopardy means there may be imminent risk of serious injury, harm, impairment, or death of a patient. DOH aims to start investigations in two business days. However, over the last ten years, it has averaged three days.

Serious risk means there may be serious injury, harm, impairment, or death of a patient, but the risk is no longer immediate. DOH aims to start investigations in ten calendar days and met this goal over the last ten years.

Moderate risk is assigned for cases if the allegation would amount to substantial noncompliance with the applicable rule or law. DOH aims to start investigations in 45 calendar days. It did not meet this goal in three of the last ten years.

Figure 9: DOH is meeting or close to meeting its goals for starting complaint investigations

Category	DOH goal	Average days	Meeting
Immediate jeopardy	Two business days	3 (2014-23)	N
Serious risk	10 calendar days	10 (2014-23)	Y
Moderate risk (see note)	45 calendar days	31 (2014-19) 161 (2020-22) 36 (2023)	Y N Y

Note: Moderate risk investigations were paused from March 2020 until July 2021.

Source: JLARC staff analysis of DOH data, 2014-2023.

DOH received additional resources to address complaint investigation delays during the pandemic

From March 2020 until July 2021, DOH paused investigations of most moderate risk complaints. The pause allowed investigators to support the state's pandemic response. However, it led to a backlog of 331 moderate risk complaints waiting to be investigated.

DOH requested and received one-time state funding in fiscal year 2024 to address the backlog. It also raised hospital license fees to pay for more investigators to address the backlog and new complaints. At the same time, it reassigned inspectors to help investigate complaints.

All complaints paused during the pandemic have now been investigated and closed. DOH reports that it has a new backlog of 100 moderate risk complaints that were caused by the increase in complaints. It estimates this backlog will be investigated and closed in 18 to 24 months.

DOH investigated about 3,000 complaints in the last ten years. Two were in a language other than English.

Patients and others send complaints to DOH using an online form, email, mail, or phone call. Hospitals must post a notice about DOH's complaint toll-free phone number in a conspicuous place.

DOH can connect callers with interpreters as needed. It also can hire translators if a person emails a complaint in a language other than English. DOH has translated the complaint form in several languages.

Of the nearly 3,000 complaints authorized from 2014 through 2023, DOH said it has had only two requests to file a complaint in a language other than English. As a point of reference, in 2023, about 100,000 (one in seven) patients in Washington identified a language other than English as their preferred language. The reasons for the discrepancy are unclear.

Best practices suggest that agencies should assess whether language access barriers exist and limit use of complaint systems. The assessment can include:

- Evaluating how easily users can find and use translated complaint materials.
- Gathering input from limited English proficiency communities and organizations on barriers they may face.
- Determining the extent to which language assistance is available throughout the complaint process.
- Benchmarking practices against other states.
- Assessing whether other cultural factors may prevent individuals from filing complaints.

Part 5.
Hospital data reporting

State law requires hospitals to report certain information to DOH. The Legislature has added data reporting requirements since 1973 (**Appendix B**). The intent of each reporting requirement was to provide greater transparency and availability of data to inform the public about health care issues.

Figure 10: State law requires hospitals to report information in five categories

Report category	Data examples	Legislative intent	Examples of public use
Financial	Revenues, expenses, billed charges, compensation, fees.	To help the public understand health care issues and how they can be better consumers.	Assess hospital financial condition, rates, and funding choices.
Patient discharge	Race, ethnicity, gender identity, sexual orientation, payer and insurer information, and diagnosis code.	To collect and maintain data necessary for the identification of discharges by groups.	Identify healthcare disparities and understand groups that have higher hospitalization rates and challenges accessing care.
Charity care	Policies, financial assistance applications submitted, completed, and approved.	Examine the delivery of charity care services and commitment of purchasers or payers to charity care funding.	Assess whether hospitals are fulfilling their obligations; could inform funding decisions.
Community benefits	Activities related to improving community health.	Identify activities or programs that are carried out for the purpose of improving community health.	Help assess whether nonprofit hospitals are fulfilling their community service obligations.
Adverse health events	Surgical, care management, environmental, and radiologic events.	Prioritize patient safety and the prevention of medical errors.	Identify trends in types of medical errors that could guide changes to improve patient safety.

Source: JLARC staff analysis of state law.

Most hospitals report required data to DOH

Most hospitals report the required information. The following highlights the most recent data for select compliance measures. More detail is in **Appendix C**.

- An average of 90% of hospitals submitted a year-end financial report annually (2019-23).
- An average of 82% of hospitals submitted patient discharge information on time annually (2019-23).
- 89% of acute care nonprofit hospitals submitted a Community Health Needs Assessment (2022-23). The assessment defines the community a hospital serves and assesses the needs of that community.
- Hospitals reported an average of 827 adverse health events per year (2016-23). More information is below.

However, there are exceptions. The percent of hospitals that submitted quarterly reports about charity care applications declined. When they were first required in 2023, 99% of hospitals reported. In the second quarter of 2024, only 76% reported.

DOH helps ensure compliance with reporting requirements by sending reminders and providing technical assistance to hospitals. DOH has no enforcement mechanisms, such as fines, if hospitals do not report.

DOH posts data reported by hospitals

DOH makes all data reported by hospitals publicly available.

- Data is provided on the DOH website as PDF or Excel files.
- DOH summarizes data by year for some financial and patient discharge data.
- DOH uses patient discharge data to post information online about infectious disease, birth statistics, and causes of death. Hospitals, state agencies, local health jurisdictions, and research organizations use the data to identify and analyze hospitalization trends.
- DOH posts an annual charity care report as required by state law.
- DOH provides aggregated reporting on adverse health events on a quarterly basis.

Adopting best practices would make hospital information more accessible to the public

The Government Accountability Office and the U.S. Department of Health and Human Services offer best practices for sharing information with the public online:

- Ensuring people can easily find content.
- Making the information relevant and user-friendly.
- Providing comparative information.

Other states provide examples of publishing hospital data in more accessible ways:

- Oregon provides financial and utilization trends reports and interactive dashboards of hospital data.
- California provides sets of visualizations from financial reports (either statewide or by individual facility) in an easy-to-use manner.
- Colorado provides annual reports that include hospital financial and utilization metrics to show a full picture of the hospital industry.

Legislature provided one-time funding to improve DOH reporting

The 2024 Legislature approved $135,000 in fiscal year 2025 to help DOH hire temporary staff to improve data reporting. It directed DOH to use the resources to ensure data quality, accurate reporting, timely data collection, and analysis of community hospital utilization and financial data.

DOH recruited for the position but was unable to fill it until February 2025. The staff member will identify trends and links between hospital service costs and illness rates. They also will create tools to help the public

better understand hospital financial and utilization data. Funding expires at the end of June 2025.

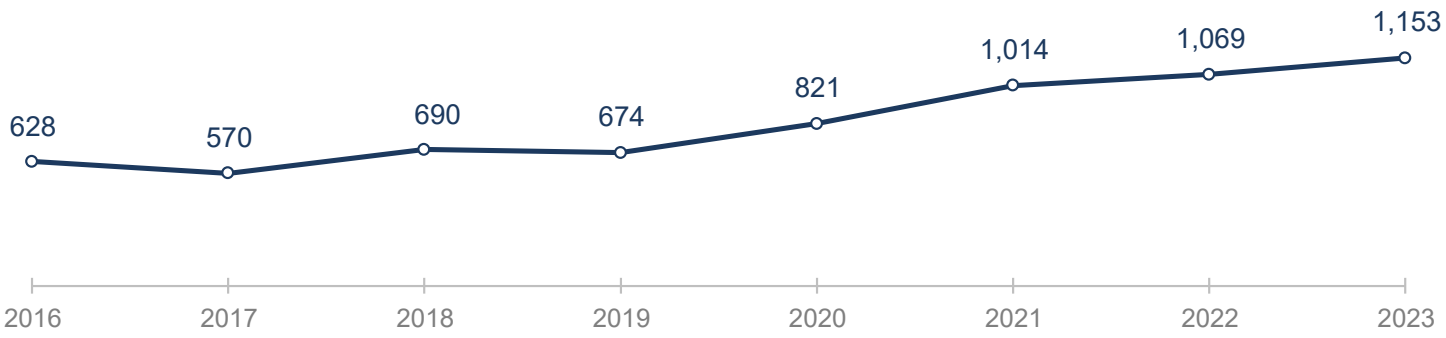
Hospitals must report on adverse health events and how they plan to address them

When a hospital has an adverse event, state law requires it to report to DOH within 45 days. The report must include an analysis of the event and the hospital's plan to address it.

Adverse health event
Avoidable medical errors such as bed sores or medication errors.

Hospitals reported an average of 827 adverse health events per year from 2016 through 2023. The total number of adverse health events reported per year has increased by 84% over this time. Most of the increase took place from 2021 through 2023 and were events related to bed sores.

Figure 11: Reported adverse health events have increased by 84% since 2016



Source: JLARC staff analysis of DOH data.

DOH does not review adverse health correction plans as directed by statute, due in part to limited staffing

On average, 62% of adverse health event reports included a plan for correcting the issue; the rest did not.

State law directs DOH to investigate the adverse event and the correction plan, when it deems it necessary. DOH is directed to share its conclusions with the hospital to help improve patient safety and decrease medical errors. The legislative intent for this requirement was to facilitate quality improvement in the health care system in a nonpunitive manner.

However, DOH does not review or analyze these reports. Reviewing this information could allow DOH to identify common problems among hospitals and inform prevention and education efforts.

The Legislature provided dedicated funding for the adverse health events reporting program from 2006 until 2011. Since 2011, DOH has assigned other staff to receive reports of adverse events, aggregate data, and post quarterly reports on DOH's website. They do so as part of their other duties. Combined, their time equates to about one-third of a full-time position.

DOH asked for funding and staff for this work in the 2016 and 2020 supplemental budgets. Neither request was included in the governor's proposed or final state budgets.

Recommendations

The Legislative Auditor makes one recommendation to the Legislature and five recommendations to DOH.

Recommendation #1:
The Legislature should consider specifying the maximum amount of time allowed between acute care hospital inspections and clarify the basis for calculating the 18-month average.

RCW 70.41.120 requires DOH to inspect hospitals "on average at least every eighteen months." Statute does not specify the maximum time that can pass between inspections. It also does not specify how many years or inspections should be included when calculating the average. This can lead to significant variation.

Legislation required: Yes

Fiscal impact: Depends on legislation

Implementation date: At the Legislature's discretion.

Recommendation #2:
DOH should meet the timeline in statute for all hospital inspections and report its performance to the Legislature.

DOH should develop a plan for completing inspections that includes a staffing analysis and benchmarks to show whether it is on track for meeting annual goals. The plan should reflect how the department will adjust for workload changes.

DOH should annually update JLARC and the appropriate legislative policy committees about the percent of all acute care and behavioral health hospital inspections completed on time.

Legislation required: No

Fiscal impact: None

Implementation date: July 2026

Agency response: **DOH** concurs.

Recommendation #3:
DOH should verify accrediting organization standards for hospital inspections and enforce the requirement for hospitals to submit proof of inspections.

Statute (RCW 70.41.122) allows a hospital to use an accrediting organization inspection in lieu of a state inspection once every 36 months if two conditions are met:

- DOH verifies that the accrediting organization's inspection standards are "substantially equivalent" to state requirements.
- The hospital gives DOH "documentary evidence" that it passed inspection.

DOH counts the inspections but has not verified that standards are "substantially equivalent" and does not receive documents from all hospitals.

Legislation required: No

Fiscal impact: None

Implementation date: July 2026

Agency response: **DOH** concurs.

Recommendation #4:
DOH should assess whether language access barriers exist that may limit use of its complaint system.

This should include:

- Evaluating how easily users can find and use translated complaint materials.
- Gathering input from limited English proficiency communities and organizations on barriers they may face.
- Determining the extent to which language assistance is available throughout the complaint process.
- Benchmarking practices against other states.
- Assessing whether other cultural factors may prevent individuals from filing complaints.

DOH should address any barriers that it identifies.

Legislation required: No

Fiscal impact: None

Implementation Date: July 2026

Agency response: **DOH** concurs.

Recommendation #5:
DOH should review hospitals' plans to address adverse health events and provide feedback to hospitals to help prevent the reoccurrence of these events.

The legislative intent for this reporting requirement was to facilitate quality improvement in the health care system. Reviewing this information could allow DOH to identify common problems among hospitals and inform its prevention and education efforts.

Legislation required: No

Fiscal impact: DOH's 2020 budget request indicated a cost of $295,000 and 1.4 FTE per fiscal year.

Implementation date: December 2027. This allows time for budget requests and staff hiring.

Agency response: **DOH** concurs.

Recommendation #6:
DOH should make reported hospital data more accessible to the public.

DOH should work with stakeholders to identify key data and the level of detail needed for public reporting. It also should adopt best practices for online reporting, such as offering interactive datasets and compiling data for easy comparison.

DOH received one-time funding for a staff person to do this work. DOH filled the position in February 2025 and funding expires in June 2025.

Legislation required: No

Fiscal impact: DOH should be able to do some of this work within existing resources. If DOH needs additional resources to complete the work, it should include that information in its future budget requests.

Implementation date: July 2026

Agency response: **DOH** concurs.

Agency Response

DOH concurs with these recommendations. See **attached letter (PDF)**.

The Office of Financial Management (OFM) was given an opportunity to comment on this report. OFM responded that it does not have any comments.

Current Recommendation Status

JLARC staff review whether the agency acted on the recommendation for four years. The first review typically happens about a year after we issue the report. The most recent responses from agencies and status of the recommendations in this report can be viewed on our **Legislative Auditor Recommendations page**.

Appendices

Appendix A: Inspection timeliness calculations | **Appendix B: State hospital data reporting requirements** | **Appendix C: Hospital data reporting compliance** | **Appendix D: Applicable statutes** | **Appendix E: Study questions & methods** | **Appendix F: Audit authority**

Appendix A: Inspection timeliness calculation

DOH calculates the 18-month average based on the days between the last three inspections. Specifically, it measures the time from the end of each inspection to the start of the next. The average must be under 548 days.

Using the 93 licensed acute care hospitals as of December 31, 2024, JLARC staff calculated each hospital's 18-month average based on the most recent inspections completed by DOH or an accrediting organization as of December 31, 2024. The analysis is based on data from DOH showing the date of the last inspection and the three-year average time between inspections.

- If the average was under 548 days, it was considered on time.
- If the average was equal to or over 548, JLARC staff subtracted 548 days (18 months) from the average. For example, if a hospital's average was 700 days, the hospital was 152 days overdue for an inspection.

JLARC staff then aggregated the data to get an analysis of the hospitals that were on time and those that were late.

The data from DOH did not include the end dates of the most recent inspections started by DOH or an accrediting organization. As such, it remains unclear how many hospitals are currently due or overdue for inspection.

Appendix B: State hospital data reporting requirements

Category	Report	Law passed (last Legislative change)	Requirement
Financial	**Facility fee**	2012 (2021)	All hospitals with off-campus provider-based clinics that bill a separate facility fee shall report information annually.
Financial	**Hospital employee compensation**	2012 (N/A)	Hospitals that do not operate on a for-profit basis must annually submit employee compensation information for the five highest compensated employees of the hospital who do not have any direct patient responsibilities. The same information is submitted to the Internal Revenue Service.

Category	Report	Law passed (last Legislative change)	Requirement
Financial	**Health system consolidated income statement and balance sheet**	2022 (N/A)	Health systems (an organization that owns or operates two or more hospitals) must annually submit a consolidated annual income statement and balance sheet for all hospitals and facilities.
Financial	**Quarterly financial**	1973 (2021)	This report is due 45 days after the close of each calendar quarter. Hospitals enter the required financial information monthly.
Financial	**Year-end financial**	1973 (2021)	All hospitals are required to report audited financial information related to admissions, patient days, payer, billed charges, net revenue, operating expense, net income, and cost center.
Patient discharge	**Patient discharge**	1984 (2021)	Hospitals are required to collect and report record-level information on inpatient and observation patient community hospital stays.
Charity care	**Charity care policies**	1989 (N/A)	Hospitals are required to develop charity care and bad debt policy and procedures.
Charity care	**Denied charity care appeals**	1989 (N/A)	Hospitals are required to notify DOH if a charity care appeal decision affirms the previous denial of charity care.
Charity care	**Quarterly charity care applications**	2021 (N/A)	Each hospital must report the number of submitted, completed, and approved charity care applications that the hospital received in the prior quarter.
Adverse health events	**Adverse health events**	2006 (N/A)	Hospitals are required to report a confirmed adverse health event. Hospitals must also submit a subsequent report within 45 days that includes an analysis of the event and plan to address the event.
Community benefits	**Community health needs assessment**	2012 (2021)	Hospitals are required to submit its current assessment within 15 days of submitting it to the Internal Revenue Service. The assessment defines the community it serves and assesses the needs of that community.

Category	Report	Law passed (last Legislative change)	Requirement
Community benefits	**Community health improvement services addendum**	2021 (N/A)	The addendum lists hospital activities related to improving community needs that have been identified within the hospital's Community Health Needs Assessment.

Source: JLARC staff analysis of state law.

Appendix C: Hospital data reporting compliance

Most hospitals report required data to DOH.

Financial

Hospitals have the following reporting requirements related to financial information.

- Facility fee: This report is due 120 days after close of hospital fiscal year.
- Hospital employee compensation: Nonprofit and public hospital district hospitals must annually submit employee compensation information for the five highest compensated employees of the hospital who do not have any direct patient responsibilities.
- Year-end financial: This report is due 120 days after the close of hospital fiscal year.
- Quarterly financial: This report is due 45 days after the close of each calendar quarter and is collected by the Washington State Hospital Association (WSHA). WSHA provides DOH the same information in quarterly increments.
- Health system consolidated income statement and balance sheet: The Washington State Auditor's Office provides DOH with audited financial statements for all hospitals owned or operated by a public hospital district and DOH makes the income statements and balance sheets publicly available.

Figure 12: Percent of hospitals complying with reporting requirement

Report	2019	2020	2021	2022	2023	5-Year average
Facility fee	95%	93%	90%	90%	91%	92%
Hospital employee compensation	74%	85%	88%	96%	94%	87%
Year-end financial	91%	88%	87%	92%	93%	90%

Report	2019	2020	2021	2022	2023	5-Year average
Quarterly financial	69%	65%	85%	65%	86%	74%
Health System Consolidated Income Statement and Balance Sheet	n/a	n/a	n/a	n/a	88%	n/a

Source: JLARC staff analysis of DOH data.

Patient discharge

Hospitals are required to collect and report record-level information on inpatient and observation patient community hospital stays. Examples of information include race, ethnicity, gender identity, sexual orientation, preferred language, any disability, insurer information, diagnosis code and zip code.

Hospitals submit patient discharge data to DOH. The timeliness of the reporting is provided below.

Figure 13: Percent of hospitals submitting reporting on time

Data element	2019	2020	2021	2022	2023	5-Year average
Patient discharge data	76%	83%	82%	80%	92%	82%

Source: JLARC staff analysis of DOH data.

Charity care reporting

Hospitals have the following requirements related to charity care information:

- Develop and submit to DOH a charity care and bad debt policy and procedures, as well as every subsequent modification.
    - DOH posts all hospital charity care policies on its website.
- Notify DOH if a charity care appeal decision affirms the previous denial of charity care.
    - DOH reviews all denied appeals to ensure the denial complied with the requirements. It does not track denials, and state law does not require it to do so.
- Report the number of submitted, completed, and approved charity care applications that the hospital received in the previous quarter.

Figure 14: Percent of hospitals complying with reporting requirement

Data element	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Submitted required reporting	99%	96%	83%	83%	80%	76%

Source: JLARC staff analysis of DOH data.

Community benefits reporting

Each acute care hospital recognized as a 501(c)(3) nonprofit must submit:

- Community Health Needs Assessment every three years beginning in July 2022.
- Community Health Improvement Services Addendum 120 days after the end of its fiscal year, beginning with the 2023 fiscal year.

89% of hospitals submitted their Community Health Needs Assessment by 2023. Of the 41 hospitals that submitted a CHNA, 90% of hospitals submitted their Community Health Improvement Services Addendum (CHIS) by 2023.

Adverse health events

Hospitals are required to report a confirmed adverse health event. Hospitals must also submit a subsequent report within 45 days that includes an analysis of the event and plan to address the event.

DOH reports include aggregated information and are posted within 90 days after the reporting quarter. Reports include the following:

- The total number of events reported by event type and reporting quarter (July 2006 through the most recent quarter).
- All healthcare facilities by type and the number of adverse events reported by each of these facilities every quarter since July 2006.
- Facilities and the type and occurrences for each adverse event type.
- Facility name, confirmation date of the reported adverse event, and event type.

DOH reports **information about adverse health events on this website** (link as of May 2025).

Appendix D: Applicable statutes

Chapter 70.41 RCW: Hospital licensing and regulation

RCW 43.70.052: Hospital financial and patient discharge data — Financial reports — Data retrieval — American Indian health data — Reporting — Patient discharge data — Confidentiality and protection.

RCW 43.70.053: Hospital consolidated annual income — Reporting.

RCW 70.01.040: Provider-based clinics that charge a facility fee — Posting of required notice — Reporting requirements.

RCW 70.170.060: Charity care — Prohibited and required hospital practices and policies — Rules — Notice of charity care availability — Department to monitor and report.

Chapter 70.56 RCW: Adverse Health Events and Incident Reporting System

Appendix E: Study questions

This study aimed to answer the following questions, which were presented to JLARC in July 2024 (**view here**).

1. What financial, patient discharge, charity care, adverse health events, and community health needs information must hospitals report to DOH or federal agencies?
2. How does DOH analyze and use the reported information?
3. What type of inspections does DOH conduct, and how often are they done? How does DOH ensure that hospitals correct deficiencies?
4. Are DOH's processes for receiving, investigating, and ensuring resolution of complaints efficient and effective?
    a. What approaches does DOH use to provide culturally responsive materials and interactions with consumers who file complaints?

Methods

The methodology JLARC staff use when conducting analyses is tailored to the scope of each study, but generally includes the following:

- **Interviews** with stakeholders, agency representatives, and other relevant organizations or individuals.
- **Site visits** to entities that are under review.
- **Document reviews**, including applicable laws and regulations, agency policies and procedures pertaining to study objectives, and published reports, audits or studies on relevant topics.
- **Data analysis**, which may include data collected by agencies and/or data compiled by JLARC staff. Data collection sometimes involves surveys or focus groups.
- **Consultation with experts** when warranted. JLARC staff consult with technical experts when necessary to plan our work, to obtain specialized analysis from experts in the field, and to verify results.

The methods used in this study were conducted in accordance with Generally Accepted Government Auditing Standards.

More details about specific methods related to individual study objectives are described in the body of the report under the report details tab or in technical appendices.

Appendix F: Audit Authority

The Joint Legislative Audit and Review Committee (JLARC) works to make state government operations more efficient and effective. The Committee is comprised of an equal number of House members and Senators, Democrats and Republicans.

JLARC's nonpartisan staff auditors, under the direction of the Legislative Auditor, conduct performance audits, program evaluations, sunset reviews, and other analyses assigned by the Legislature and the Committee.

The statutory authority for JLARC, established in **Chapter 44.28 RCW**, requires the Legislative Auditor to ensure that JLARC studies are conducted in accordance with Generally Accepted Government Auditing Standards, as applicable to the scope of the audit. This study was conducted in accordance with those applicable standards. Those standards require auditors to plan and perform audits to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on the audit objectives. The evidence obtained for this JLARC report provides a reasonable basis for the enclosed findings and conclusions, and any exceptions to the application of audit standards have been explicitly disclosed in the body of this report.

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