
SUBSTITUTE SENATE BILL 6541

State of Washington

64th Legislature

2016 Regular Session

By Senate Ways & Means (originally sponsored by Senators Miloscia, Dammeier, O'Ban, Padden, Roach, Becker, Angel, and Parlette)

READ FIRST TIME 02/09/16.

1 AN ACT Relating to the establishment of performance management
2 systems at state hospitals; amending RCW 72.23.020 and 72.01.050;
3 adding a new section to chapter 72.23 RCW; and adding a new section
4 to chapter 43.20A RCW.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 72.23
7 RCW to read as follows:

8 (1) Subject to the availability of amounts appropriated for this
9 specific purpose, each state hospital must develop a robust lean
10 performance management plan as described in this section to be
11 overseen by the superintendent of the state hospital in collaboration
12 with the department. The department shall coordinate performance
13 management activities between the state hospitals to develop common
14 performance measures and frameworks that enhance the ability to
15 compare performance between the state hospitals and aid in the
16 standardization of practices between state hospitals where
17 appropriate.

18 (2) The state hospital performance management plans shall conform
19 to the Baldrige excellence framework most applicable to state
20 hospital operations. The state hospitals and the department must
21 develop clear timelines and strategies related to development of the

1 performance management plans and report these to results Washington
2 or its equivalent and the relevant policy and fiscal committees of
3 the legislature within sixty days of the effective date of this
4 section.

5 (3) The performance management plans must define the mission of
6 the state hospital and set goals for achievement. Goals should be
7 expressed to the extent practicable in outcome-based, objective, and
8 measurable forms. This section does not require the state hospitals
9 to develop new mission statements and goals in place of existing
10 missions and goals if the missions and goals can be fit within the
11 Baldrige excellence framework.

12 (4) Each state hospital must undergo a Baldrige assessment of its
13 operations every two years until reaching a sixty percent Baldrige
14 assessment score pursuant to subsection (5) of this section.
15 Completed assessments and feedback must be transmitted to the office
16 of financial management and relevant policy and fiscal committees of
17 the legislature.

18 (5) Each state hospital must establish a goal of achieving a
19 sixty percent Baldrige assessment score within seven years of its
20 first Baldrige assessment. When a sixty percent score is achieved,
21 the state hospital must apply for a Malcolm Baldrige national quality
22 award under 15 U.S.C. Sec. 3711a. If the state hospital is unable to
23 achieve this sixty percent goal, it must move to achieve
24 certification under an internationally recognized quality management
25 system, such as ISO 9001 or its equivalent, within seven years of the
26 first Baldrige assessment, or as soon as practicable after the
27 inability is identified. Nothing in this section prohibits a state
28 hospital from adopting an internationally recognized quality
29 management system at an earlier date or in addition to its other
30 activities.

31 (6) The state hospitals and the department must work towards
32 implementation of real-time, web-based tracking and reporting of
33 state hospital performance management activities.

34 (7) The department must provide a periodic report to the relevant
35 policy and fiscal committees of the legislature presenting
36 information from the state hospital performance management plans,
37 including elements such as state hospital performance goals adopted
38 for the reporting period, results of audits or assessments, progress
39 towards achieving the objectives described in subsection (5) of this
40 section, and fiscal savings attributable to performance management

1 projects. The department may propose a schedule for the submission of
2 this periodic report as part of its submission under subsection (2)
3 of this section.

4 (8) Pursuant to chapter 43.09 RCW, the state auditor must conduct
5 a performance audit of the state hospitals' management systems and
6 metrics one year after their implementation.

7 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.20A
8 RCW to read as follows:

9 The department shall study the application of the Baldrige
10 quality management framework or an equivalent performance management
11 system to its own activities and report its findings to the governor
12 and relevant policy and fiscal committees of the legislature by
13 December 1, 2016.

14 **Sec. 3.** RCW 72.23.020 and 1959 c 28 s 72.23.020 are each amended
15 to read as follows:

16 There are hereby permanently located and established the
17 following state hospitals: Western state hospital at Fort Steilacoom,
18 Pierce county; eastern state hospital at Medical Lake, Spokane
19 county; and (~~northern state hospital near Sedro Woolley, Skagit~~
20 ~~county~~) the child study and treatment center at Fort Steilacoom,
21 Pierce county.

22 **Sec. 4.** RCW 72.01.050 and 1992 c 7 s 51 are each amended to read
23 as follows:

24 (1) The secretary of social and health services shall have full
25 power to manage and govern the following public institutions: The
26 western state hospital, the eastern state hospital, the (~~northern~~
27 ~~state hospital~~) child study and treatment center, the state training
28 school, the state school for girls, Lakeland Village, the Rainier
29 school, and such other institutions as authorized by law, subject
30 only to the limitations contained in laws relating to the management
31 of such institutions.

32 (2) The secretary of corrections shall have full power to manage,
33 govern, and name all state correctional facilities, subject only to
34 the limitations contained in laws relating to the management of such
35 institutions.

36 (3) If any state correctional facility is fully or partially
37 destroyed by natural causes or otherwise, the secretary of

1 corrections may, with the approval of the governor, provide for the
2 establishment and operation of additional residential correctional
3 facilities to place those inmates displaced by such destruction.
4 However, such additional facilities may not be established if there
5 are existing residential correctional facilities to which all of the
6 displaced inmates can be appropriately placed. The establishment and
7 operation of any additional facility shall be on a temporary basis,
8 and the facility may not be operated beyond July 1 of the year
9 following the year in which it was partially or fully destroyed.

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