
HOUSE BILL 1047

State of Washington 61st Legislature 2009 Regular Session

By Representatives Hasegawa, Chase, Appleton, Kagi, Kenney, Seaquist, Moeller, and Morrell

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1 AN ACT Relating to establishing the family medicine residency
2 training grant program; amending RCW 43.72.900; reenacting and amending
3 RCW 43.79A.040; adding a new section to chapter 82.24 RCW; adding a new
4 chapter to Title 70 RCW; and providing an effective date.

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

6 NEW SECTION. **Sec. 1.** Sections 2 through 5 of this act constitute
7 a new chapter in Title 70 RCW.

8 NEW SECTION. **Sec. 2.** The legislature finds that:

9 (1) Many rural and urban communities, and economically
10 disadvantaged and minority populations, are medically underserved and
11 are likely to become even more so if, as predicted by the health
12 resources and services administration in 2006, a national shortage of
13 physicians emerges by 2020.

14 (2) Community health centers provide primary and preventive health
15 care services for people living in rural and urban medically
16 underserved communities. Service is provided regardless of a patient's
17 ability to pay. There are over one hundred thirty community health
18 center sites in Washington.

1 (3) Community health centers are already facing a health workforce
2 crisis. A recent national survey of eight hundred ninety community
3 health centers found a pronounced shortage of family medicine
4 physicians, with more than four hundred family medicine vacancies,
5 forty percent of which had been open for more than seven months. As of
6 November 13, 2008, there were twenty-one family medicine vacancies at
7 Sea Mar community health centers in Washington.

8 (4) Physicians in the United States are licensed by individual
9 states, all of whom require a degree as a medicinae doctor or doctor of
10 osteopathy as well as postgraduate training in an accredited residency
11 program. Following receipt of a medicinae doctor or doctor of
12 osteopathy degree, residents complete their training in residency
13 programs in their chosen area of specialty, providing patient care
14 under the supervision of teaching physicians.

15 (5) The University of Washington school of medicine has recently
16 expanded the number of allopathic medical students.

17 (6) The Pacific Northwest University of Health Sciences college of
18 osteopathic medicine opened in August of 2008 with its first class of
19 seventy-five osteopathic medical students.

20 (7) Studies have shown that physicians in this region who do their
21 postgraduate family medicine residency training at community health
22 centers are almost twice as likely to subsequently work in underserved
23 settings and almost four times as likely to subsequently work in a
24 community health center as compared with physicians who do their family
25 medicine residency training in other settings.

26 (8) There are currently thirteen accredited family medicine
27 residency programs in Washington, only three of which are sponsored or
28 sited at a community health center.

29 (9) In order to be accredited, sponsoring and participating
30 residency sites must provide all residents with appropriate financial
31 support and benefits to ensure that they are able to fulfill the
32 responsibilities of their residency program. At each participating
33 site, there must be a sufficient faculty with documented qualifications
34 to instruct and supervise all residents at that location.

35 (10) Medicare dollars have historically provided a significant
36 source of funding to offset some of the costs associated with educating
37 medical residents. In 1997, the federal balanced budget act placed a
38 cap on the number of residency positions that the program supports.

1 The cap remains today, despite calls by the association of American
2 medical colleges and others for the elimination of the cap and an
3 increase in residency positions in order to address the projected
4 shortage of physicians.

5 NEW SECTION. **Sec. 3.** Within funds appropriated to the department
6 of health for this purpose, and with the goal of increasing the number
7 of family medicine residency positions at community health centers, and
8 thereby increasing the number of family medicine physicians working in
9 underserved settings, a family medicine residency training grant
10 program is created. Grant funds provided for the purpose of increasing
11 the number of family medicine residency positions at community health
12 centers shall be disbursed by the department of health to at least
13 three accredited, three-year family medicine residency programs
14 sponsored or sited at community health centers in rural or urban
15 medically underserved areas. In the first year, and each subsequent
16 year thereafter, family medicine residency programs to which the grant
17 funds are awarded shall offer at least two first-year postgraduate
18 residency positions in family medicine. In the second year, and each
19 subsequent year thereafter, these family medicine residency programs
20 shall also offer at least two second-year postgraduate residency
21 positions in family medicine. In the third year, and each subsequent
22 year thereafter, these family medicine residency programs shall also
23 offer at least two third-year postgraduate residency positions in
24 family medicine.

25 NEW SECTION. **Sec. 4.** The joint legislative audit and review
26 committee shall conduct a performance audit and evaluation of the
27 family medicine residency training grant program created in section 3
28 of this act every five years. The first audit must be conducted by
29 December 31, 2015. The audit must include a comparison of family
30 medicine physicians who did their postgraduate family medicine
31 residency training at community health centers with those who did their
32 postgraduate family medicine residency training in other programs to
33 determine whether the location of the family medicine residency
34 training influenced or affected where the resident ultimately chose to
35 work.

1 NEW SECTION. **Sec. 5.** (1) The family medicine residency training
2 account is created in the custody of the state treasurer. No
3 appropriation is required for expenditures of funds from the account.
4 The account is not subject to allotment procedures under chapter 43.88
5 RCW except for moneys used for program administration.

6 (2) The department of health shall deposit into the account all
7 moneys received from private contributions for the program. The
8 account shall be self-sustaining and consist of private contributions
9 for the family medicine residency training grant program.

10 (3) Expenditures from the account may be used solely for grants to
11 family medicine residency programs sponsored or sited in community
12 health centers in rural or urban medically underserved areas and costs
13 associated with program administration by the department of health.

14 (4) Disbursements from the account may be made only on the
15 authorization of the department of health.

16 NEW SECTION. **Sec. 6.** A new section is added to chapter 82.24 RCW
17 to read as follows:

18 (1) An additional tax is imposed upon the sale, use, consumption,
19 handling, possession, or distribution of cigarettes, in an amount equal
20 to seven and one-half cents per pack.

21 (2) The revenue collected under this section shall be deposited in
22 the health services account created in RCW 43.72.900.

23 **Sec. 7.** RCW 43.72.900 and 2005 c 518 s 930 are each amended to
24 read as follows:

25 (1) The health services account is created in the state treasury.
26 Moneys in the account may be spent only after appropriation. Subject
27 to the transfers described in subsection (3) of this section, moneys in
28 the account may be expended only for maintaining and expanding health
29 services access for low-income residents, maintaining and expanding the
30 public health system, maintaining and improving the capacity of the
31 health care system, containing health care costs, and the regulation,
32 planning, and administering of the health care system.

33 (2) Funds deposited into the health services account under RCW
34 82.24.028 (~~and 82.26.028~~) shall be used solely as follows:

35 (a) Five million dollars for the state fiscal year beginning July
36 1, 2002, and five million dollars for the state fiscal year beginning

1 July 1, 2003, shall be appropriated by the legislature for programs
2 that effectively improve the health of low-income persons, including
3 efforts to reduce diseases and illnesses that harm low-income persons.
4 The department of health shall submit a report to the legislature on
5 March 1, 2002, evaluating the cost-effectiveness of programs that
6 improve the health of low-income persons and address diseases and
7 illnesses that disproportionately affect low-income persons, and making
8 recommendations to the legislature on which of these programs could
9 most effectively utilize the funds appropriated under this subsection.

10 (b) Ten percent of the funds deposited into the health services
11 account under RCW 82.24.028 (~~and 82.26.028~~) remaining after the
12 appropriation under (a) of this subsection shall be transferred no less
13 frequently than annually by the treasurer to the tobacco prevention and
14 control account established by RCW 43.79.480. The funds transferred
15 shall be used exclusively for implementation of the Washington state
16 tobacco prevention and control plan and shall be used only to
17 supplement, and not supplant, funds in the tobacco prevention and
18 control account as of January 1, 2001, however, these funds may be used
19 to replace funds appropriated by the legislature for further
20 implementation of the Washington state tobacco prevention and control
21 plan for the biennium beginning July 1, 2001. For each state fiscal
22 year beginning on and after July 1, 2002, the legislature shall
23 appropriate no less than twenty-six million two hundred forty thousand
24 dollars from the tobacco prevention and control account for
25 implementation of the Washington state tobacco prevention and control
26 plan.

27 (c) Because of its demonstrated effectiveness in improving the
28 health of low-income persons and addressing illnesses and diseases that
29 harm low-income persons, the remainder of the funds deposited into the
30 health services account under RCW 82.24.028 (~~and 82.26.028~~) shall be
31 appropriated solely for Washington basic health plan enrollment as
32 provided in chapter 70.47 RCW. Funds appropriated under this
33 subsection may be used to support outreach and enrollment activities
34 only to the extent necessary to achieve the enrollment goals described
35 in this section.

36 (3) Prior to expenditure for the purposes described in subsection
37 (2) of this section, funds deposited into the health services account

1 under RCW 82.24.028 (~~and 82.26.028~~) shall first be transferred to the
2 following accounts to ensure the continued availability of previously
3 dedicated revenues for certain existing programs:

4 (a) To the violence reduction and drug enforcement account under
5 RCW 69.50.520, two million two hundred forty-nine thousand five hundred
6 dollars for the state fiscal year beginning July 1, 2001, four million
7 two hundred forty-eight thousand dollars for the state fiscal year
8 beginning July 1, 2002, seven million seven hundred eighty-nine
9 thousand dollars for the biennium beginning July 1, 2003, six million
10 nine hundred thirty-two thousand dollars for the biennium beginning
11 July 1, 2005, and six million nine hundred thirty-two thousand dollars
12 for each biennium thereafter, as required by RCW 82.24.020(2);

13 (b) To the health services account under this section, nine million
14 seventy-seven thousand dollars for the state fiscal year beginning July
15 1, 2001, seventeen million one hundred eighty-eight thousand dollars
16 for the state fiscal year beginning July 1, 2002, thirty-one million
17 seven hundred fifty-five thousand dollars for the biennium beginning
18 July 1, 2003, twenty-eight million six hundred twenty-two thousand
19 dollars for the biennium beginning July 1, 2005, and twenty-eight
20 million six hundred twenty-two thousand dollars for each biennium
21 thereafter, as required by RCW 82.24.020(3); and

22 (c) To the water quality account under RCW 70.146.030, two million
23 two hundred three thousand five hundred dollars for the state fiscal
24 year beginning July 1, 2001, four million two hundred forty-four
25 thousand dollars for the state fiscal year beginning July 1, 2002,
26 eight million one hundred eighty-two thousand dollars for the biennium
27 beginning July 1, 2003, seven million eight hundred eighty-five
28 thousand dollars for the biennium beginning July 1, 2005, and seven
29 million eight hundred eighty-five thousand dollars for each biennium
30 thereafter(~~(, as required by RCW 82.24.027(2)(a))~~).

31 During the 2005-2007 fiscal biennium, the legislature may transfer
32 from the health services account such amounts as reflect the excess
33 fund balance of the account to the state general fund.

34 (4) Funds deposited into the health services account under section
35 6 of this act shall be used solely to fund the family medicine
36 residency training grant program under section 3 of this act.

1 **Sec. 8.** RCW 43.79A.040 and 2008 c 239 s 9, 2008 c 208 s 9, 2008 c
2 128 s 20, and 2008 c 122 s 24 are each reenacted and amended to read as
3 follows:

4 (1) Money in the treasurer's trust fund may be deposited, invested,
5 and reinvested by the state treasurer in accordance with RCW 43.84.080
6 in the same manner and to the same extent as if the money were in the
7 state treasury.

8 (2) All income received from investment of the treasurer's trust
9 fund shall be set aside in an account in the treasury trust fund to be
10 known as the investment income account.

11 (3) The investment income account may be utilized for the payment
12 of purchased banking services on behalf of treasurer's trust funds
13 including, but not limited to, depository, safekeeping, and
14 disbursement functions for the state treasurer or affected state
15 agencies. The investment income account is subject in all respects to
16 chapter 43.88 RCW, but no appropriation is required for payments to
17 financial institutions. Payments shall occur prior to distribution of
18 earnings set forth in subsection (4) of this section.

19 (4)(a) Monthly, the state treasurer shall distribute the earnings
20 credited to the investment income account to the state general fund
21 except under (b) and (c) of this subsection.

22 (b) The following accounts and funds shall receive their
23 proportionate share of earnings based upon each account's or fund's
24 average daily balance for the period: The Washington promise
25 scholarship account, the college savings program account, the
26 Washington advanced college tuition payment program account, the
27 agricultural local fund, the American Indian scholarship endowment
28 fund, the foster care scholarship endowment fund, the foster care
29 endowed scholarship trust fund, the students with dependents grant
30 account, the basic health plan self-insurance reserve account, the
31 contract harvesting revolving account, the Washington state combined
32 fund drive account, the commemorative works account, the Washington
33 international exchange scholarship endowment fund, the toll collection
34 account, the developmental disabilities endowment trust fund, the
35 energy account, the fair fund, the family leave insurance account, the
36 family medicine residency training account, the food animal
37 veterinarian conditional scholarship account, the fruit and vegetable
38 inspection account, the future teachers conditional scholarship

1 account, the game farm alternative account, the GET ready for math and
2 science scholarship account, the grain inspection revolving fund, the
3 juvenile accountability incentive account, the law enforcement
4 officers' and firefighters' plan 2 expense fund, the local tourism
5 promotion account, the pilotage account, the produce railcar pool
6 account, the regional transportation investment district account, the
7 rural rehabilitation account, the stadium and exhibition center
8 account, the youth athletic facility account, the self-insurance
9 revolving fund, the sulfur dioxide abatement account, the children's
10 trust fund, the Washington horse racing commission Washington bred
11 owners' bonus fund account, the Washington horse racing commission
12 class C purse fund account, the individual development account program
13 account, the Washington horse racing commission operating account
14 (earnings from the Washington horse racing commission operating account
15 must be credited to the Washington horse racing commission class C
16 purse fund account), the life sciences discovery fund, the Washington
17 state heritage center account, the reduced cigarette ignition
18 propensity account, and the reading achievement account. However, the
19 earnings to be distributed shall first be reduced by the allocation to
20 the state treasurer's service fund pursuant to RCW 43.08.190.

21 (c) The following accounts and funds shall receive eighty percent
22 of their proportionate share of earnings based upon each account's or
23 fund's average daily balance for the period: The advanced right-of-way
24 revolving fund, the advanced environmental mitigation revolving
25 account, the city and county advance right-of-way revolving fund, the
26 federal narcotics asset forfeitures account, the high occupancy vehicle
27 account, the local rail service assistance account, and the
28 miscellaneous transportation programs account.

29 (5) In conformance with Article II, section 37 of the state
30 Constitution, no trust accounts or funds shall be allocated earnings
31 without the specific affirmative directive of this section.

32 NEW SECTION. **Sec. 9.** This act takes effect August 1, 2009.

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