



Origination 3/1/2016
Last Approved 3/11/2026
Effective 3/11/2026
Last Revised 3/11/2026
Next Review 3/10/2028

Owner Louise Sahlinger:
Director Of
Quality
Area Administration

Tort Claims Policy

I. PURPOSE

To establish a standardized process for the receipt, review, investigation, management, and resolution of tort claims and notices of claim against Lake Chelan Health, its employees, medical staff, contractors, and agents, in compliance with Washington State law, federal requirements, and applicable risk management standards.

II. POLICY STATEMENT

Lake Chelan Health (LCH) is committed to handling tort claims in a timely, fair, transparent, and legally compliant manner. LCH will investigate all claims thoroughly, preserve legal rights and defenses, protect patient privacy and confidentiality, and seek resolution consistent with:

1. **RCW 4.96.020** (Tort claims against local governmental entities),
2. **RCW 70.44** (Public Hospital Districts),
3. **RCW 70.02** (Confidentiality of Healthcare Information),
4. Applicable federal law and accreditation standards.

As stated in RCW 4.96.020, the governing body of each local governmental entity shall appoint an agent to receive any claim for damages. The identity of the agent and the address where he or she may be reached during the normal business hours of the local governmental entity are public records and shall be recorded with the auditor of the county in which the entity is located.

Appointed Agent:	CEO
Office Address:	110 S. Apple Blossom Dr. Chelan, WA 98816
Business Hours:	8:00 am to 4:30 pm

III. SCOPE

This policy applies to all departments, employees, medical staff, contractors, volunteers, and agents of Lake Chelan Health, including actions arising from clinical care, employment practices, premises liability, and other operations of the organization.

IV. ROLES AND RESPONSIBILITIES

<p>Board of Commissioners</p>	<ol style="list-style-type: none"> 1. Provides oversight of tort claims management and risk exposure pursuant to RCW 70.44. 2. Approves settlement authority thresholds as required by law. 3. Receives periodic reports on claims trends and risk mitigation strategies.
<p>CEO/Administrator</p>	<ol style="list-style-type: none"> 1. Ensures implementation of this policy and allocation of resources. 2. Authorizes claims handling processes and settlement authority within delegated limits. 3. Serves as liaison to the Governing Board for high-risk or high-value claims.
<p>Risk Manager/Risk Management</p>	<ol style="list-style-type: none"> 1. Serves as the primary coordinator for all tort claims under RCW 4.96.020. 2. Maintains a claims log and documentation. 3. Receives and reviews notices of claim and lawsuits. 4. Coordinates investigations and preservation of evidence. 5. Works with legal counsel, insurers, and leadership on claim resolution. 6. Ensures compliance with reporting and documentation requirements.
<p>Legal Counsel</p>	<ol style="list-style-type: none"> 1. Provides legal advice on claim validity, defenses, and litigation strategy. 2. Files responses, motions, and pleadings consistent with Washington civil procedure. 3. Negotiates settlements and represents the hospital in litigation. 4. Ensures compliance with statutory deadlines and procedural requirements.

<p>Compliance Officer/ Privacy Officer</p>	<ol style="list-style-type: none"> 1. Ensures disclosures related to claims comply with RCW 70.02 and HIPAA. 2. Advises on minimum necessary disclosure and safeguards.
<p>Department Directors and Managers</p>	<ol style="list-style-type: none"> 1. Promptly report incidents that may give rise to a claim. 2. Cooperate with investigations and evidence preservation. 3. Implement corrective actions to mitigate future risk.
<p>All LCH Employees, Medical Staff, Residents, Students, Contractors, Volunteers</p>	<ol style="list-style-type: none"> 1. Report incidents promptly through the hospital's event reporting system. 2. Cooperate fully with investigations and legal proceedings. 3. Refrain from unauthorized disclosure of claim-related information. 4. Preserve confidentiality and avoid retaliation.

V. DEFINITIONS

1. **Tort Claim:** A civil claim seeking monetary damages for injury, loss, or damage allegedly caused by the negligence or wrongful act of the hospital or its agents.
2. **Notice of Claim:** A formal written claim submitted by or on behalf of a claimant prior to filing a lawsuit, as required under **RCW 4.96.020**.
3. **Claimant:** An individual or entity asserting a claim for damages.
4. **Public Hospital District:** A governmental entity organized under **RCW 70.44**.
5. **Risk Management:** The process of identifying, analyzing, and mitigating risks that could result in claims or litigation.
6. **Settlement:** A negotiated resolution of a claim without admission of liability.
7. **Litigation:** The process of resolving disputes through the court system

VI. PROCEDURE

1. Legal and Regulatory Authority

Washington State Law

1. **RCW 4.96.020** – Tort claims against local governmental entities; notice of claim requirements, waiting period, and service provisions.
2. **RCW 70.44** – Public Hospital Districts; authority, governance, and operations.
3. **RCW 70.02** – Uniform Health Care Information Act; confidentiality and disclosure of medical records.
4. **RCW 42.56** – Public Records Act (to the extent claims records are subject to disclosure, with

applicable exemptions).

5. **RCW 5.60.060** – Privileges and confidentiality (e.g., peer review protections).
6. **RCW 7.70** – Actions for injuries resulting from healthcare (medical malpractice standards and procedures).
7. **RCW 4.92.100** – Tort claims against the State of Washington (referenced when applicable or for comparative standards).

Federal Law

1. **Federal Tort Claims Act (FTCA)** – 28 U.S.C. §§ 1346(b), 2671–2680 (where applicable).
2. **HIPAA Privacy Rule** – 45 CFR Parts 160 and 164.
3. **CMS Conditions of Participation** for Critical Access Hospitals.

2. Receipt and Handling of Notices of Claim

1. Receipt

1. All notices of claim, lawsuits, or legal correspondence must be forwarded immediately to Risk Management and Legal Counsel.
2. LCH will date-stamp and log all claims upon receipt.

2. Verification

1. Risk Management will verify that the claim:
 1. Complies with **RCW 4.96.020**, including:
 1. Use of the statutory claim form or equivalent;
 2. Proper service on the designated agent or clerk of the hospital district;
 3. Inclusion of claimant information, factual basis, damages claimed, and supporting documentation.
 2. Is timely and jurisdictionally valid.

3. Statutory Waiting Period

1. Pursuant to **RCW 4.96.020(4)**, claimants must wait **60 days** after filing a notice of claim before filing a lawsuit. LCH will use this period to investigate and evaluate the claim.

3. Investigation Process

1. Initial Assessment

1. Risk Management will:
 1. Secure and preserve relevant records, equipment, and evidence.
 2. Identify involved staff and witnesses.
 3. Assess patient safety, regulatory, and legal implications.

2. Information Gathering

1. Obtain medical records consistent with **RCW 70.02** and HIPAA.
2. Collect incident reports, policies, procedures, and documentation.
3. Conduct interviews using a just culture approach.
4. Engage experts as needed.

3. Documentation

1. All investigative activities and findings will be documented and maintained in a secure claims file.

4. Coordination with Insurance and Risk Pools

1. Risk Management will notify applicable insurers, risk pools, or excess carriers promptly, consistent with policy requirements and contractual obligations.
2. All claims will be handled in accordance with insurance contracts and Washington law.

5. Evaluation and Resolution

1. Claim Evaluation

1. Legal Counsel and Risk Management will evaluate claims in accordance with:
 1. **RCW 7.70** (standards for medical malpractice and healthcare liability),
 2. Applicable case law,
 3. Contractual and statutory defenses.

2. Settlement Authority

1. Settlement authority will follow LCH policy, governing board resolutions, and statutory requirements under **RCW 70.44**.
2. Governing Board approval will be obtained when required by law or policy.

3. Settlement Process

1. Settlements will be negotiated in good faith.
2. All settlements will be documented in writing and executed according to legal requirements.
3. No admission of liability will be made unless required by law or approved by counsel.

4. Litigation Management

1. Legal Counsel will manage all court filings, discovery, and court appearances.
2. Risk Management will coordinate witness preparation and document production.

6. Confidentiality and Privacy

1. All claim-related information is confidential and protected to the fullest extent permitted by law, including:

1. **RCW 70.02** (healthcare information confidentiality),
 2. **RCW 5.60.060** (peer review and quality assurance protections),
 3. HIPAA Privacy Rule.
2. Claim files are not part of the patient's medical record and must be stored separately and securely.

7. Reporting and Oversight

1. Risk Management will provide periodic reports to executive leadership and the Governing Board regarding:
 1. Number and type of claims
 2. Financial exposure
 3. Trends and root causes
 4. Risk mitigation and improvement actions

8. Integration with Risk Management and Patient Safety

1. Claims data will be analyzed and incorporated into the hospital's Risk Management and Patient Safety Program.
2. RCAs and corrective actions will be conducted for claims involving serious adverse events or system failures.
3. Lessons learned will be disseminated to prevent recurrence.

9. Training and Education

1. Staff will receive training on:
 1. Incident reporting and documentation
 2. Claims awareness and response
 3. Confidentiality and disclosure requirements
 4. **RCW 4.96.020** and **RCW 70.02** obligations

10. Record Retention

1. Claim files will be retained in accordance with hospital policy, insurance requirements, and Washington State retention laws.
2. Records will be disposed of securely at the end of the retention period.

VII. REFERENCES

1. **RCW 4.96.020** – Tort claims against local governmental entities; notice of claim requirements, waiting period, and service provisions.
2. **RCW 70.44** – Public Hospital Districts; authority, governance, and operations.

3. **RCW 70.02** – Uniform Health Care Information Act; confidentiality and disclosure of medical records.
4. **RCW 42.56** – Public Records Act (to the extent claims records are subject to disclosure, with applicable exemptions).
5. **RCW 5.60.060** – Privileges and confidentiality (e.g., peer review protections).
6. **RCW 7.70** – Actions for injuries resulting from healthcare (medical malpractice standards and procedures).
7. **RCW 4.92.100** – Tort claims against the State of Washington (referenced when applicable or for comparative standards).
8. **Federal Tort Claims Act (FTCA)** – 28 U.S.C. §§ 1346(b), 2671–2680 (where applicable).
9. **HIPAA Privacy Rule** – 45 CFR Parts 160 and 164.
10. **CMS Conditions of Participation** for Critical Access Hospitals.

VIII. ATTACHMENTS

n/a

**This policy may be revised at any time without prior notice. All revisions supersede prior policy and are effective immediately upon approval.*

**Any printed policy is not valid past the print date and should not be relied on for official purposes. Current versions of all policies can be found in PolicyStat.*

Approval Signatures

Step Description	Approver	Date
Board Approval	Wendy Kenck: Executive Assistant	3/11/2026
Executive Approval	Shawn Ottley: COO/CNO	2/13/2026
Executive Director of Quality	Louise Sahlinger: Director Of Quality	2/2/2026
Policy Management Committee	Committee Policy Management: Policy Management Committee	2/2/2026
	Louise Sahlinger: Director Of Quality	2/2/2026