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No. 86796-8

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IN THE SUPREME COURT OF THE STATE OF WASHINGTON

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SKAGIT COUNTY PUBLIC HOSPITAL DISTRICT NO. 304, dba  
UNITED GENERAL HOSPITAL,

Respondent,

v.

SKAGIT COUNTY PUBLIC HOSPITAL DISTRICT NO. 1, dba  
SKAGIT VALLEY HOSPITAL,

Appellant.

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**APPELLANT'S ANSWER TO BRIEF OF AMICUS**

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 ORIGINAL

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## INTRODUCTION

Statutory interpretation begins with a statute's plain meaning. Plain meaning is to be discerned from the ordinary meaning of the language at issue, the context of the statute in which that provision is found, related provisions, and the statutory scheme as a whole. If the statute is unambiguous after a review of the plain meaning, the court's inquiry is at an end. A statute is ambiguous when it is susceptible to two or more reasonable interpretations, but a statute is not ambiguous merely because different interpretations are conceivable.

State v. Gray, 174 Wn.2d 920, 926-927, 280 P.3d 1110 (2012)  
(citations and quotations omitted).

In its amicus brief, King County Public Hospital District No. 2 (Evergreen) illustrates how the trial court violated the first rule of statutory construction: "we do not construe a statute that is unambiguous." Davis v. Department of Licensing, 137 Wn.2d 957, 977 P.2d 554 (1999); (Amicus Brief at 6). The plain words of RCW 70.44.060(3) empower public hospital districts to own and operate medical facilities outside their boundaries. There is no proscription on operating medical facilities in another public hospital district. (Amicus Brief at 7) Because the statute is unambiguous, the court may not insert a restriction that the Legislature neither intended nor adopted.

Skagit County Public Hospital District No. 1 supports amicus Evergreen's argument on three grounds. First, RCW 70.44.060(3) unambiguously allows public hospital districts to operate facilities wherever appropriate, including in another district. Second, the statutory restrictions on water-sewer districts do not apply to public hospitals, and third, a writ of prohibition is inappropriate where injunctive relief is available.

**I. No Ambiguity Exists In RCW 70.44.060(3)**

The relevant statute, RCW 70.44.060, authorizes public hospital districts to "provide hospital and other health care services for residents of said district by facilities located outside the boundaries of said district, by contract or in any other manner said commissioners may deem expedient or necessary under the existing conditions." RCW 70.44.060(3). As amicus Evergreen demonstrates, there is no ambiguity in this grant, and furthermore, there is no restriction on operating facilities in another district. (Amicus Brief at 6-8).

Had the Legislature intended to limit this power, it would have said so. For at least two special purpose districts – public utility districts and water-sewer districts – the Legislature adopted express prohibitions. First, under RCW 54.04.030, "no public utility

district created hereunder shall include therein any municipal corporation, or any part thereof, where such municipal corporation already owns or operates all the utilities herein authorized." Second, for water-sewer districts, "if the area to be served is located within another existing district duly authorized to exercise district powers in that area, then water, reclaimed water, sewer, drainage, or street lighting service may not be so provided by contract or otherwise without the consent by resolution of the board of commissioners of that other district." RCW 57.08.044.

As amicus Evergreen appropriately notes, the trial court usurped legislative powers by reading in a restriction that does not exist in the statute. (Amicus Brief at 6). The Legislature has plenary control over special purpose districts.

As political subdivisions of the state, municipal corporations are subordinate to the legislature which, limited only by the constitution, has absolute control over the entities it has created, including the geographical extent of their jurisdiction and the powers they may exercise.

The state legislature possesses this power because, unlike the federal constitution which is a grant of power to Congress, the state constitution is a limitation on legislative powers. The power of the legislature over political subdivisions of the state is plenary unless restrained by the constitution.

King County Water Dist. No. 54 v. King County Boundary Review Bd., 87 Wn.2d 536, 540, 554 P.2d 1060 (1976). The Court should defer to the legislative choices embodied in the statutory language.

Citing Alderwood Water District v. Pope & Talbot, 62 Wn.2d 319, 381 P.2d 639 (1963), respondent Skagit Public Hospital District No. 304 (United General) contends that the broader statutory scheme prohibits one district from operating a health care facility in another district. Yet as amicus Evergreen demonstrates, nothing in RCW Ch. 70.44 says this. (Amicus Brief at 7). United General asks this Court to rewrite the statute and imply this limit as a matter of public policy. This Court has repeatedly refused to revise statutory language.

When statutory language is unambiguous, we look only to that language to determine the legislative intent without considering outside sources. Plain language does not require construction. When we interpret a criminal statute, we give it a literal and strict interpretation. We cannot add words or clauses to an unambiguous statute when the legislature has chosen not to include that language. We assume the legislature means exactly what it says.

State v. Delgado, 148 Wn.2d 723, 727-728, 63 P.3d 792 (2003) (citations omitted); State v. Gray, 174 Wn.2d 920, 928, 280 P.3d 1110 (2012) ("where the Legislature omits language from a statute,

intentionally or inadvertently, this court will not read into the statute the language that it believes was omitted”).

The Legislature has not adopted a statutory limit on public hospital district's extraterritorial powers like that on public utility districts and water-sewer districts. United General asks this Court to imply a limit based on the reasoning in Alderwood. As detailed in the next section, public hospital districts differ substantially from water districts. Here, because RCW Ch. 70.44 unambiguously gives public hospital districts authority to operate clinics wherever feasible and appropriate, the Court should not “interpret” the statute to impose a limit the Legislature has not imposed.

## **II. Public Hospital Districts Differ Substantially From Water Districts.**

Amicus Evergreen details the significant differences between the water districts at issue in Alderwood and the public hospital districts at issue here. These differences weigh heavily against applying Alderwood to public hospital districts. First, unlike water-sewer districts, public hospital districts are not the sole source for public services in the district. (Amicus Brief at 8). The Court in Alderwood expressed concern over the duplication of public functions – two water districts serving the same neighborhood.

Th[e] statutory prohibition against the geographical overlapping of water districts obviously carries with it an implication that one water district should not infringe upon the territorial jurisdiction of another water district by extending services to individuals therein.

Alderwood, 62 Wn.2d at 322.

In contrast, competing medical clinics exist side-by-side, and health care facilities often overlap. (Amicus Brief at 9) (“hospital districts must live with private sector competition within their boundaries”). The facts of this case provide a good example. When Skagit Valley purchased the Skagit Valley Medical Center, it merely was a change in ownership. There was no “invasion” of United General. All six clinics, including the one in United General’s district, operated exactly as before. United General did not provide services at the clinic before the purchase, and it did not do so after. Unlike a water hookup that is the *exclusive* source of service, the Pavilion medical clinic was merely one of many sources for medical care in United General’s district.

Second, the statute governing public hospital districts does not discourage or prohibit overlapping services, unlike those governing public utilities. (Amicus Brief at 9). With sole providers like water, sewer and electric utilities, the Legislature has enacted

statutes to consolidate duplicative providers into one provider. As this Court recognized in King County Water Dist. No. 54,

In recent decades the special district form of government has been widely used to solve some of the problems generated by rapid growth in metropolitan areas. See J. Bollens, *Special District Governments in the United States* 48-52 (1961). These limited function entities were created to provide needed services which local general government was unable to provide, and, in some instances, to circumvent state limitations on local government indebtedness. See, e.g., Maklelski, *The Special District Problem in Virginia*, 55 Va.L.Rev. 1182, 1185-89 (1969); Rafalko, *Overlapping Districts Versus Municipal Authorities in the Area of Urban Redevelopment*, 3 San Diego L.Rev. 24 (1966). The proliferation of special districts, however, generated problems of overlapping boundaries, increased tax burdens and 'short-sighted and inefficient government' because their functions are often not coordinated with overlapping or adjoining government entities.

King County Water Dist. No. 54, 87 Wn.2d at 539. Public water districts may condemn private water works, and municipal water districts may take over a water district within city limits. RCW 57.08.005(1); RCW 36.93.090(2); (Amicus Brief at 9).

Imagine if a city, county, or public hospital district attempted to consolidate all health care providers into one municipal corporation. Not only is such an action illegal, it also undermines the private market for health care services. Public hospital districts

must compete with private and public providers – all with overlapping geographic areas and services. Unlike with water districts, competition among health care providers is not “inimical to an orderly and economically well-planned development and utilization” of health care services. Alderwood, 62 Wn.2d at 320.

Third, the statutory scheme for public hospitals does not prohibit competition between them. (Amicus Brief at 9) (“in health care, there is a robust private sector that co-exists and competes with public hospitals”). In Alderwood, the Court expressed concern that competition between water districts would jeopardize their comprehensive plans, public financing, and operating revenues. Alderwood, 62 Wn.2d at 322. United General asserts the same concern here if Skagit Valley continues to operate the Pavilion medical office. But a private or non-profit entity could purchase the office, creating the same competitive pressures. Protecting public hospital districts from each other only benefits their private and non-profit competitors. The Court’s concerns in Alderwood do not justify the same restrictions on public hospital districts.

Amicus Evergreen provides compelling arguments for limiting Alderwood to water-sewer districts. All special purpose districts are not alike, and the Court would damage public hospital

districts by subjecting them to the same implied restrictions as regulated utilities.

### III. Granting A Writ of Prohibition Was Error

As amicus confirms, a writ of prohibition is inappropriate when a party can seek an injunction. (Amicus Brief at 12-13). Two cases provide additional support for this argument. First, in Alderwood, the complaining water district sought an injunction.

The Alderwood Water District initiated this action to *enjoin* the Silver Lake Water District from supplying water to Silver acres and to *enjoin* Silver Acres from receiving such water.

Alderwood, 62 Wn.2d at 320 (emphasis added). Second, in King County Water Dist. No. 75 v. Port of Seattle, 63 Wn. App. 777, 822 P.2d 331(1992), the water district also sought an injunction.

The Port of Seattle (Port) appeals from orders entering a declaratory judgment and a permanent injunction in favor of King County Water District No. 75 (District). The Port contends that the trial court erred in declaring that the District had exclusive authority to provide water services within the District's service area and in permanently enjoining the Port from providing such services within the District's service area for the benefit of Port-owned property.

King County Water Dist. No. 75, 63 Wn. App. at 779 (footnote omitted).

The trial court erred by substituting a writ of prohibition for injunctive relief. If United General did not qualify for an Injunction, it also did not qualify for a writ of prohibition.

**IV. The Court Should Not Distinguish Between Rural And Urban Public Hospital Districts.**

Amicus Evergreen suggests that "if the trial court is upheld, the Court should expressly limit the scope of the decision to 'rural hospital districts' which are protected by RCW 70.44.450." (Amicus Brief at 14). Skagit Valley respectfully requests this Court not to make this distinction. All public hospital districts have the authority to operate clinics where feasible and appropriate. The distinction between rural and urban districts is not relevant to this basic power.

**CONCLUSION**

Public hospital districts have express statutory authority to compete where appropriate. As Amicus Evergreen amply demonstrates, this statutory authority is unambiguous, and different from that given to regulated utilities like water-sewer districts. Appellant Skagit Valley therefore respectfully requests the Court to vacate the trial court's writ of prohibition and enter judgment in Skagit Valley's favor.

DATED this 4 day of October, 2012.

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By 

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### DECLARATION OF SERVICE

The undersigned declares under penalty of perjury under the laws of the State of Washington that on the date stated below, I mailed or caused delivery of Answer to Brief of Amicus to:

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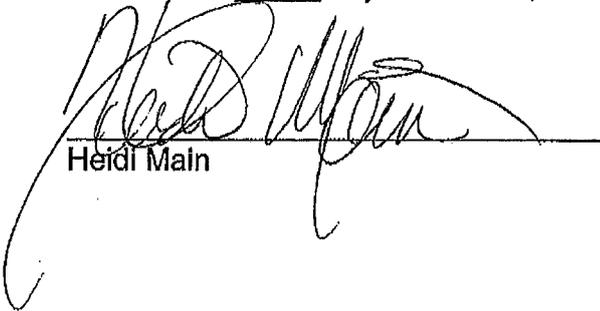
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Good afternoon. Attached you will find our Answer to the Amicus Brief with a Declaration of Service. Copies have also been sent via U.S. Mail to all parties.

Sincerely,  
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