

# HOUSE BILL REPORT

## ESHB 2105

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### As Passed Legislature

**Title:** An act relating to diagnostic imaging services.

**Brief Description:** Concerning diagnostic imaging services.

**Sponsors:** House Committee on Health Care & Wellness (originally sponsored by Representatives Cody and Morrell).

#### **Brief History:**

##### **Committee Activity:**

Health Care & Wellness: 2/17/09, 2/20/09 [DPS];

Health & Human Services Appropriations: 2/25/09, 2/26/09 [DPS(HCW)].

##### **Floor Activity**

Passed House: 3/10/09, 83-13.

Passed Senate: 4/14/09, 44-2.

Passed Legislature.

#### **Brief Summary of Engrossed Substitute Bill**

- Creates a work group to establish guidelines or protocols for the use of diagnostic imaging.

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### HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Cody, Chair; Driscoll, Vice Chair; Ericksen, Ranking Minority Member; Bailey, Campbell, Clibborn, Green, Herrera, Hinkle, Kelley, Moeller, Morrell and Pedersen.

**Staff:** Dave Knutson (786-7146)

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### HOUSE COMMITTEE ON HEALTH & HUMAN SERVICES APPROPRIATIONS

**Majority Report:** The substitute bill by Committee on Health Care & Wellness be substituted therefor and the substitute bill do pass. Signed by 15 members: Representatives Pettigrew, Chair; Seaquist, Vice Chair; Schmick, Ranking Minority Member; Alexander,

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Assistant Ranking Minority Member; Appleton, Cody, Dickerson, Ericksen, Johnson, Miloscia, Morrell, O'Brien, Roberts, Walsh and Wood.

**Staff:** Chris Blake (786-7392)

**Background:**

Diagnostic imaging allows doctors to "see" inside the body by obtaining pictures of bones, organs, muscles, tendons, nerves, and cartilage. Diagnostic imaging includes Magnetic Resonance Imaging, Computed Tomography, and Positron Emission Tomography, as well as ultrasound, nuclear medicine, picture archival communication systems, digital mammography, and molecular imaging. These technologies enable physicians to diagnose diseases at earlier stages while avoiding more invasive and costly diagnostic procedures.

While a significant technological advance, diagnostic imaging is also the fastest-growing medical expenditure in the United States, with an annual 9 percent growth rate—more than twice that of general medical expenditures (4.1 percent) according to the American College of Radiology Web site (May 2004). There are several strategies to help control the increasing costs of diagnostic imaging, including:

- *Utilization Management:* Some health insurers are using radiology benefit management firms to attempt to control diagnostic imaging costs.
- *Physician Self-Referral Restrictions:* Federal Stark II regulations generally prohibit physicians from referring Medicare patients to entities with which the physician or immediate family member has a financial interest. Some states have similar statutes that also regulate referral of private-pay patients.
- *Evidence-Based Practice Guidelines:* One strategy is to develop and disseminate nationally recognized, evidence-based practice guidelines and to educate referring physicians about the proper use of diagnostic imaging. The American College of Radiology has developed appropriateness criteria for a number of common presentations and developed recommendations for tests that have been found to be particularly effective, and tests that are not as effective.
- *Patient Education:* Patient education campaigns, similar to those addressing inappropriate antibiotic use, may be effective in discouraging patients from seeking unnecessary tests.
- *Electronic Medical Records System:* Studies have found that at least 10 percent of diagnostic tests are retests because prior results were unavailable to the treating physician at the point of service. Retesting could be reduced with electronic records and better communication and process management among the relevant parties.

**Summary of Engrossed Substitute Bill:**

The Health Care Authority will convene a work group to analyze and identify evidence-based best practice guidelines or protocols applicable to advanced diagnostic imaging services and any decision-support tools available to implement the guidelines or protocols. The work group will identify evidence-based guidelines or protocols by July 1, 2009. State-purchased health care programs will use them for those health care services purchased directly by the state beginning September 1, 2009. An emergency clause is added.

**Appropriation:** None.

**Fiscal Note:** Requested on February 23, 2009.

**Effective Date:** The bill includes an emergency clause and takes effect immediately.

**Staff Summary of Public Testimony (Health Care & Wellness):**

(In support) Diagnostic imaging is one of the fastest-growing components of the health care system. Public and private payors of health care services have a vested interest in making sure that digital imaging is used correctly and in a cost-effective manner.

(Opposed) None.

**Staff Summary of Public Testimony (Health & Human Services Appropriations):**

(In support) This bill is intended to resolve the issue of the overutilization of radiology services in state-purchased health care programs. This is a pathway to significant cost savings in the future. The aggressive timelines in the bill will work.

(Opposed) None.

**Persons Testifying (Health Care & Wellness):** Steve Gano, Premera; Sydney Smith Zvara, Association of Washington Health Care Plans; Len Eddinger, Washington State Medical Association; Brad Boswell and Mark Yuhasz, Washington State Radiological Society; and Karen Merrikin, Group Health Cooperative.

**Persons Testifying (Health & Human Services Appropriations):** Representative Cody, prime sponsor; Brad Boswell, Washington State Radiological Society; and Tim Layton, Washington State Medical Association.

**Persons Signed In To Testify But Not Testifying (Health Care & Wellness):** None.

**Persons Signed In To Testify But Not Testifying (Health & Human Services Appropriations):** None.