

SENATE BILL REPORT

SB 6375

As Reported By Senate Committee On:
Health & Long-Term Care, February 2, 1996

Title: An act relating to the health care policy board.

Brief Description: Repealing the health care policy board.

Sponsors: Senators Quigley, Fairley and Sheldon.

Brief History:

Committee Activity: Health & Long-Term Care: 1/23/96, 2/2/96 [DP, DNP].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass.

Signed by Senators Quigley, Chair; Wojahn, Vice Chair; Fairley, Franklin and Thibaudeau.

Minority Report: Do not pass.

Signed by Senators Deccio, Moyer and Wood.

Staff: Don Sloma (786-7319)

Background: The 1993 Health Services Act created a five-member, fulltime Health Services Commission with a fulltime staff to regulate the state's health care industry. Its duties included developing a uniform benefits package to be offered as a minimum by all health insurers, regulating managed care organizations, developing health quality assurance indicators and guidelines, monitoring trends in health care costs and access and more.

The 1995 Legislature significantly reduced the state's authority to regulate the substance, quality and cost of medical care and medical care financing institutions. Accordingly, the Health Services Commission's powers and duties were modified, and the commission itself was transformed into the nine-member Health Care Policy Board, with five fulltime members and four legislative members.

The Health Care Policy Board's (HCPB) duties include studying and making recommendations to the Governor and the Legislature about a variety of issues related to the financing and delivery of medical care services in Washington.

With the exception of making determinations regarding immunity from federal and state anti-trust statutes for certain integrated health services financing and delivery arrangements, the HCPB has none of the direct authority over state agencies or the private health care financing and delivery system enjoyed by the Health Services Commission.

This has led some to suggest that the HCPB's duties can be more efficiently assumed by other, already existing state agencies. Proponents of the HCPB argue that the Legislature's changes to health reform in 1995 now require a high level, independent research and policy forum, where public and private health care interests can be discussed.

Summary of Bill: The Health Care Policy Board (HCPB) is terminated. Its powers and duties are transferred to existing state agencies as described below:

The Department of Health must study and recommend action regarding children with special health needs, rural health needs, medical education and availability of health professionals, and quality improvement programs. In addition, the Health Department must review rules prepared by the Insurance Commissioner, the Health Care Authority, the Department of Social and Health Services, and the Department of Labor and Industries and recommend changes to make them consistent with health reform goals. Finally, the Health Department must develop sample satisfaction surveys that may be used by health carriers.

The HCPB's duties transferred to the Insurance Commissioner include studying and recommending policy on the scope, financing and delivery of health benefit plans and access for the insured and the uninsured, the use of medical savings accounts, people moving into the state as a result of health insurance reforms, the implementation of community rating, and guidelines for health carriers relating to utilization management, provider selection and termination, and coordination of benefits. The Insurance Commissioner must also conduct a comparative analysis of individual and group insurance markets, and recommend whether the state Health Care Authority should continue to operate as a self-insuring entity, with reports due in December 1996.

The Department of Social and Health Services, or successor agency administering payments to nursing homes, must make recommendations related to long-term care issues.

The state Attorney General must assume authority to make determinations regarding the extension of state antitrust immunity to certain health care arrangements.

The Health Care Authority must make recommendations related to model claims and billing procedures.

Appropriation: None.

Fiscal Note: Requested on

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The Health Care Policy Board has no authority, and is unneeded as a full-time body in its advisory role. Its study and advisory functions can be more efficiently subsumed within the powers and duties of other existing state agencies.

Testimony Against: In the large, expensive complex and rapidly changing health care policy world, there is need for a single, high level, intensive study and discussion forum to monitor trends, analyze policy options and respond to request for information and oversight of both the public and private sectors. The Health Care Policy Board is such a forum.

Testified: Rick Wickman, BCWA (con); Mike Ryherd, Teamsters/Pro West (con); Gary Smith, Independent Business Assn. (con); Carol Monohon, AWB (con).