

SENATE BILL REPORT

SB 6392

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

Title: An act relating to disclosure by managed care entities.

Brief Description: Requiring disclosures by managed care entities.

Sponsors: Senators Wood, Quigley, Roach, Cantu, Deccio, Prince and Moyer.

Brief History:

Committee Activity: Health & Long-Term Care: 1/26/96, 2/2/96 [DPS].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: That Substitute Senate Bill No. 6392 be substituted therefor, and the substitute bill do pass.

Signed by Senators Quigley, Chair; Wojahn, Vice Chair; Deccio, Fairley, Franklin, Moyer, Thibaudeau, Winsley and Wood.

Staff: Wendy Saunders (786-7439)

Background: The health care delivery system is changing rapidly. Consumers need to know which options for patient care exist when selecting health plans. Patients frequently lack information necessary to make informed choices about the health plans they select. Concern exists that many consumers are unaware of which health care services are covered in their plans and which benefits are excluded until the time that services are needed.

It has been suggested that consumers have difficulty obtaining detailed information and understanding the language used in their health care policies.

Summary of Substitute Bill: All health maintenance organizations and health care service contractors must disclose information about their health plans on forms approved by the Insurance Commissioner. The disclosure must be in concise and specific terms and must include any costs associated with the plan and information on covered benefits. The information about covered benefits must include any restrictions or limitations on coverage and services, including prescription drugs and services obtained outside the plan.

Plans must disclose whether they require providers to comply with any specified numbers or targets and whether they use incentives or penalties to encourage providers to withhold services or specialty referrals.

The disclosure must contain information on any procedures, such as prior authorization, that an enrollee must follow to obtain care. The disclosure must also state whether a point of service option is available, the grievance procedures available to enrollees, and a roster of all primary care providers.

The required information must be provided to employers and employees prior to enrolling in the plan.

No private right or cause of action is created in this legislation.

Substitute Bill Compared to Original Bill: Provisions in the bill that required disclosure in reference to physicians were expanded to all licensed health care providers.

Appropriation: None.

Fiscal Note: Requested on January 17, 1996.

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

Testimony For: Health care policies are difficult to understand. They don't disclose plan restrictions or procedures patients need to follow to obtain care. Information on health plans is not provided prior to enrollment. It is difficult for consumers to make informed choices about the health coverage they purchase. The required disclosure should apply to all providers.

Testimony Against: Insurers are currently required to provide benefits booklets, which provide a great deal of information. Consumers can also get information about the coverage provided by health plans from employer human resources departments, insurance agents or directly from the health plans.

Testified: PRO: Dr. Michael Schlitt, Kathleen Serkes, Association of American Physicians and Surgeons; David Allen, American Cancer Society; Tracy Lin, AARP; Nick Federici, WSNA; Melanie Stewart, WA State Podiatric Medical Association, Diane Stollenwerk, Providence Health System and Peace Health; CON: Mel Sorenson, Blue Cross; Rick Wickman, BCWA.