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**SUBSTITUTE HOUSE BILL 1372**

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**State of Washington**

**54th Legislature**

**1995 Regular Session**

**By** House Committee on Financial Institutions & Insurance (originally sponsored by Representatives L. Thomas, Wolfe, Kessler, Dyer and Jacobsen; by request of Insurance Commissioner)

Read first time 03/01/95.

1 AN ACT Relating to rural health care; creating new sections;  
2 repealing RCW 48.45.005, 48.45.010, 48.45.020, and 48.45.030; and  
3 providing an expiration date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The following acts or parts of acts are each  
6 repealed:

7 (1) RCW 48.45.005 and 1990 c 271 s 20;

8 (2) RCW 48.45.010 and 1990 c 271 s 22;

9 (3) RCW 48.45.020 and 1990 c 271 s 23; and

10 (4) RCW 48.45.030 and 1990 c 271 s 24.

11 NEW SECTION. **Sec. 2.** The legislature finds that the demographic,  
12 geographic, employment, and economic characteristics typical of many  
13 rural areas have resulted in restricted access to affordable health  
14 care services. Although public and private changes to health care  
15 financing, organization, and delivery have the potential to increase  
16 the access to adequate health care in many urban and suburban areas,  
17 the effect they will have on rural Washington is uncertain.

1        NEW SECTION.    **Sec. 3.**    The department of health shall evaluate the  
2 effect of market changes in health care and assess the impact on rural  
3 residents.    The department is authorized to conduct a study, which  
4 shall include recommendations to the legislature on state policies that  
5 will assure maintenance or improvement of health care services to  
6 people who live in rural areas of Washington.    The study shall examine:

7        (1) Whether the legislature should adopt state policies that would  
8 require certified health plans or other categories of licensed health  
9 care insurers or plans to cover residents in rural areas of the state  
10 or to include local providers or networks in their health care delivery  
11 approaches;

12        (2) Whether data collected by the insurance commissioner from  
13 insurance agents in the cities and towns of the rural areas of  
14 Washington who hold a disability insurance agent's license, from  
15 disability insurers, from health care service contractors, or from  
16 health maintenance organizations warrants further study to determine  
17 the availability of health benefit coverage in the rural areas of  
18 Washington.    If the study finds a lack of availability of affordable  
19 insurance or benefits coverage that enables access to and continuity of  
20 local providers and facilities a separate category of health plans  
21 applicable to rural areas may be recommended;

22        (3) Whether the state should create special incentives for rural  
23 providers or others to encourage the development of more efficient and  
24 effective local delivery systems;

25        (4) The implication of managed care and the impact of purchasing  
26 practices on the department of social and health services, the health  
27 care authority, and other state agencies on rural health delivery  
28 systems, including rural health clinics; and

29        (5) The adoption or modification of definitions that would  
30 designate areas of the state as "rural" for health policy purposes,  
31 including consideration of the potential application of different  
32 definitions for different programs and services.

33        The study, recommendations, and draft legislation, if any, shall be  
34 submitted to the legislature by December 1, 1995.

35        NEW SECTION.    **Sec. 4.**    In undertaking the study required in section  
36 3 of this act, the department of health shall designate and use a rural  
37 study committee to identify issues and develop recommendations.  
38 Members of this committee shall include one member from each caucus of

1 the legislature, two appointed by the president of the senate and two  
2 appointed by the speaker of the house of representatives, one  
3 representative each from the department of social and health services,  
4 the health care authority, and the office of the insurance  
5 commissioner, and such other private and public members as the  
6 department of health deems appropriate.

7 NEW SECTION. **Sec. 5.** Sections 2 through 4 of this act shall  
8 expire July 1, 1996.

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