

HOUSE BILL 2331

State of Washington 54th Legislature 1996 Regular Session

By Representatives Backlund, Dyer, Hymes, Thompson, McMahan, Basich, D. Sommers and Sherstad

Read first time 01/10/96. Referred to Committee on Health Care.

1 AN ACT Relating to review of mandated health insurance benefits;
2 amending RCW 48.42.060, 48.42.070, and 48.42.080; adding a new chapter
3 to Title 48 RCW; recodifying RCW 48.42.060, 48.42.070, and 48.42.080;
4 repealing RCW 41.05.180, 48.20.393, 48.21.225, 48.44.325, 48.46.275,
5 48.20.395, 48.21.230, 48.44.330, 48.46.280, 48.20.397, 48.21.235,
6 48.44.335, 48.46.285, 48.20.411, 48.21.141, 48.44.290, 48.20.416,
7 48.21.146, 49.64.040, 48.21.320, 48.44.460, 48.46.530, 48.21.240,
8 48.44.340, 48.46.290, 48.20.414, 48.21.144, 48.21.160, 48.21.180,
9 48.21.190, 48.21.195, 48.21.197, 48.44.240, 48.44.245, 48.46.355,
10 41.05.170, 48.21.310, 48.44.450, 48.46.520, 48.20.520, 48.21.300,
11 48.44.440, 48.46.510, 48.21.220, 48.44.320, 48.20.390, 48.20.412,
12 48.21.130, 48.44.310, 48.21.142, 48.20.410, 48.21.140, 48.44.225,
13 48.44.300, and 48.42.100; and declaring an emergency.

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

15 **Sec. 1.** RCW 48.42.060 and 1984 c 56 s 1 are each amended to read
16 as follows:

17 The legislature (~~takes notice of the increasing number of~~
18 ~~proposals for the~~) finds that there is a continued interest in
19 mandating (~~of~~) certain health coverages or offering of health

1 coverages by ~~((insurance))~~ health carriers~~((, health care service~~
2 ~~contractors, and health maintenance organizations as a component of~~
3 ~~individual or group policies.))~~; and that improved access to these
4 health care services to segments of the population which desire them
5 can provide beneficial social and health consequences which may be in
6 the public interest.

7 The legislature finds further, however, that the cost ramifications
8 of expanding health coverages is ~~((resulting in a growing))~~ of
9 continuing concern~~((The way that such coverages are structured and~~
10 ~~the steps taken to create incentives to provide cost effective services~~
11 ~~or to take advantage of cost off setting features of services can~~
12 ~~significantly influence the cost impact of mandating particular~~
13 ~~coverages.))~~; and that the merits of a particular ~~((coverage mandate))~~
14 mandated benefit must be balanced against a variety of consequences
15 which may go far beyond the immediate impact upon the cost of insurance
16 coverage. The legislature hereby finds and declares that a systematic
17 review of proposed mandated ~~((or mandatorily offered health coverage))~~
18 benefits, which explores all the ramifications of such proposed
19 legislation, will assist the legislature in determining whether
20 mandating a particular coverage or offering is in the public interest.
21 ~~((This chapter provides for a set of guidelines which should be~~
22 ~~addressed in the consideration of all such mandated coverage proposals~~
23 ~~coming before the legislature.))~~ The purpose of this chapter is to
24 establish a procedure for the proposal, review, and determination of
25 mandated benefit necessity.

26 NEW SECTION. Sec. 2. Unless otherwise specifically provided, the
27 definitions in this section apply throughout this chapter.

28 (1) "Appropriate committees of the legislature" or "committees"
29 means nonfiscal standing committees of the Washington state senate and
30 house of representatives that have jurisdiction over statutes that
31 regulate health carriers, health care facilities, health care
32 providers, or health care services.

33 (2) "Department" means the Washington state department of health.

34 (3) "Health care facility" or "facility" means hospices licensed
35 under chapter 70.127 RCW, hospitals licensed under chapter 70.41 RCW,
36 rural health care facilities as defined in RCW 70.175.020, psychiatric
37 hospitals licensed under chapter 71.12 RCW, nursing homes licensed
38 under chapter 18.51 RCW, community mental health centers licensed under

1 chapter 71.05 or 71.24 RCW, kidney disease treatment centers licensed
2 under chapter 70.41 RCW, ambulatory diagnostic, treatment, or surgical
3 facilities licensed under chapter 70.41 RCW, drug and alcohol treatment
4 facilities licensed under chapter 70.96A RCW, and home health agencies
5 licensed under chapter 70.127 RCW, and includes such facilities if
6 owned and operated by a political subdivision or instrumentality of the
7 state, and such other facilities as required by federal law and
8 implementing regulations.

9 (4) "Health care provider" or "provider" means:

10 (a) A person regulated under Title 18 or chapter 70.127 RCW, to
11 practice health or health-related services or otherwise practicing
12 health care services in this state consistent with state law; or

13 (b) An employee or agent of a person described in (a) of this
14 subsection, acting in the course and scope of his or her employment.

15 (5) "Health care service" or "service" means a service, drug, or
16 medical equipment offered or provided by a health care facility and a
17 health care provider relating to the prevention, cure, or treatment of
18 illness, injury, or disease.

19 (6) "Health carrier" or "carrier" means a disability insurer
20 regulated under chapter 48.20 or 48.21 RCW, a health care service
21 contractor as defined in RCW 48.44.010, a health maintenance
22 organization as defined in RCW 48.46.020, plans operating under the
23 state health care authority under chapter 41.05 RCW, the state health
24 insurance pool operating under chapter 48.41 RCW, and insuring entities
25 regulated in chapter 48.43 RCW.

26 (7) "Mandated health insurance benefit" or "mandated benefit" means
27 coverage or offering required by law to be provided by a health carrier
28 to: (a) Cover a specific health care service or services, or (b)
29 contract, pay, or reimburse specific categories of health care
30 providers for specific services.

31 **Sec. 3.** RCW 48.42.070 and 1989 1st ex.s. c 9 s 221 are each
32 amended to read as follows:

33 Mandated health insurance benefits shall be established as follows:

34 (1) Every person who, or organization ((which)) that, seeks
35 ((sponsorship of a legislative proposal which would mandate a health
36 coverage or offering of a health coverage by an insurance carrier,
37 health care service contractor, or health maintenance organization as
38 a component of individual or group policies, shall submit a report to

1 ~~the legislative committees having jurisdiction, assessing both the~~
2 ~~social and financial impacts of such coverage, including the efficacy~~
3 ~~of the treatment or service proposed, according to the guidelines~~
4 ~~enumerated in RCW 48.42.080. Copies of the report shall be sent to the~~
5 ~~state department of health for review and comment. The state~~
6 ~~department of health shall make recommendations based on the report to~~
7 ~~the extent requested by the legislative committees)) to establish a~~
8 ~~mandated benefit shall, at least ninety days prior to a regular~~
9 ~~legislative session, submit a mandated benefit proposal to the~~
10 ~~appropriate committees of the legislature, assessing the social impact,~~
11 ~~financial impact, and evidence of health care service efficacy of the~~
12 ~~benefit in strict adherence to the criteria enumerated in RCW 48.42.080~~
13 ~~(as recodified by this act).~~

14 (2) The chair of a committee may request that the department
15 examine the proposal using the criteria set forth in RCW 48.42.080 (as
16 recodified by this act), however, such request must be made no later
17 than nine months prior to a subsequent regular legislative session.

18 (3) The department shall report to the appropriate committees of
19 the legislature on the appropriateness of adoption no later than thirty
20 days prior to the legislative session during which the proposal is to
21 be considered.

22 (4) Mandated benefits shall be authorized by law, but in no case
23 for a period in excess of ten years.

24 **Sec. 4.** RCW 48.42.080 and 1984 c 56 s 3 are each amended to read
25 as follows:

26 ~~((Guidelines for assessing the impact of proposed mandated or~~
27 ~~mandatorily offered health coverage to the extent that information is~~
28 ~~available, shall include, but not be limited to, the following:))~~

29 (1) Based on the availability of relevant information, the
30 following criteria shall be used to assess the impact of proposed
31 mandated benefits:

32 (a) The social impact: ((+a)) (i) To what extent is the
33 ((treatment or service)) benefit generally utilized by a significant
34 portion of the population? ((+b)) (ii) To what extent is the
35 ((insurance coverage)) benefit already generally available? ((+c))
36 (iii) If ((coverage)) the benefit is not generally available, to what
37 extent ((does the lack of coverage result in persons avoiding necessary
38 health care treatments)) has its unavailability resulted in persons not

1 receiving needed services? ~~((d))~~ (iv) If the ~~((coverage))~~ benefit is
2 not generally available, to what extent ~~((does the lack of coverage~~
3 ~~result))~~ has its unavailability resulted in unreasonable financial
4 hardship? ~~((e))~~ (v) What is the level of public demand for the
5 ~~((treatment or service))~~ benefit? ~~((f) What is the level of public~~
6 ~~demand for insurance coverage of treatment or service?—(g))~~ (vi) What
7 is the level of interest of collective bargaining agents in negotiating
8 privately for inclusion of this ~~((coverage))~~ benefit in group
9 contracts?

10 ~~((2))~~ (b) The financial impact: ~~((a))~~ (i) To what extent will
11 the ~~((coverage))~~ benefit increase or decrease the cost of treatment or
12 service? ~~((b))~~ (ii) To what extent will the coverage increase the
13 appropriate use of the ~~((treatment or service))~~ benefit? ~~((c))~~ (iii)
14 To what extent will the ~~((mandated treatment or service))~~ benefit be a
15 substitute for a more expensive ~~((treatment or service))~~ benefit?
16 ~~((d))~~ (iv) To what extent will the ~~((coverage))~~ benefit increase or
17 decrease the administrative expenses of ~~((insurance companies))~~ health
18 carriers and the premium and administrative expenses of policyholders?
19 ~~((e))~~ (v) What will be the impact of this ~~((coverage))~~ benefit on the
20 total cost of health care services?

21 (c) Evidence of health care service efficacy:

22 (i) If a mandatory benefit of a specific service is sought, to what
23 extent has there been conducted professionally accepted controlled
24 trials demonstrating the health consequences of that service compared
25 to no service or an alternative service?

26 (ii) If a mandated benefit of a category of health care provider is
27 sought, to what extent has there been conducted professionally accepted
28 controlled trials demonstrating the health consequences achieved by the
29 mandated benefit of this category of health care provider?

30 (2) The department may modify these criteria, by rule, to reflect
31 new relevant information.

32 (3) The department may charge the person or organization proposing
33 the mandated benefit a fee to defray the cost of the examination
34 required in RCW 48.42.070 (as recodified by this act).

35 NEW SECTION. Sec. 5. (1) Based on criteria set forth in RCW
36 48.42.080 (as recodified by this act), the department shall examine
37 existing mandated benefits for the purpose of determining the

1 appropriateness of their continuation and report to the appropriate
2 committees of the legislature as follows:

3 (a) By December 1, 1996:

4 (i) Mammogram insurance coverage as required by RCW 41.05.180,
5 48.20.393, 48.21.225, 48.44.325, and 48.46.275;

6 (ii) Reconstructive breast surgery as required by RCW 48.20.395,
7 48.21.230, 48.44.330, and 48.46.280; and

8 (iii) Mastectomy and lumpectomy insurance coverage as required by
9 RCW 48.20.397, 48.21.235, 48.44.335, and 48.46.285;

10 (b) By December 1, 1997:

11 (i) Registered nurse or advanced registered nurse insurance
12 coverage as required by RCW 48.20.411, 48.21.141, and 48.44.290;

13 (ii) Dentistry insurance coverage as required by RCW 48.20.416,
14 48.21.146, and 49.64.040; and

15 (iii) Temporomandibular joint disorders insurance coverage as
16 required by RCW 48.21.320, 48.44.460, and 48.46.530;

17 (c) By December 1, 1998:

18 (i) Mental health insurance as required by RCW 48.21.240,
19 48.44.340, and 48.46.290;

20 (ii) Psychological services as required by RCW 48.20.414 and
21 48.21.144; and

22 (iii) Chemical dependency insurance as required by RCW 48.21.160,
23 48.21.180, 48.21.190, 48.21.195, 48.21.197, 48.44.240, 48.44.245, and
24 48.46.355;

25 (d) By December 1, 1999:

26 (i) Neurodevelopmental therapy insurance coverage as required by
27 RCW 41.05.170, 48.21.310, 48.44.450, and 48.46.520;

28 (ii) Phenylketonuria insurance coverage as required by RCW
29 48.20.520, 48.21.300, 48.44.440, and 48.46.510; and

30 (iii) Home health hospice insurance coverage as required by RCW
31 48.21.220 and 48.44.320; and

32 (e) By December 1, 2000:

33 (i) Chiropractic insurance coverage as required by RCW 48.20.390,
34 48.20.412, 48.21.130, 48.44.310, and 48.21.142;

35 (ii) Optometric insurance coverage as required by RCW 48.20.410 and
36 48.21.140;

37 (iii) Podiatric insurance coverage as required by RCW 48.44.225 and
38 48.44.300; and

1 (iv) Women's health care provider self referral as required by RCW
2 48.42.100.

3 NEW SECTION. **Sec. 6.** The following acts or parts of acts, as now
4 existing or hereafter amended, are each repealed, effective June 30,
5 1997:

- 6 (1) RCW 41.05.180 and 1994 sp.s. c 9 s 725 & 1989 c 338 s 5;
- 7 (2) RCW 48.20.393 and 1994 sp.s. c 9 s 728 & 1989 c 338 s 1;
- 8 (3) RCW 48.21.225 and 1994 sp.s. c 9 s 731 & 1989 c 338 s 2;
- 9 (4) RCW 48.44.325 and 1994 sp.s. c 9 s 734 & 1989 c 338 s 3;
- 10 (5) RCW 48.46.275 and 1994 sp.s. c 9 s 735 & 1989 c 338 s 4;
- 11 (6) RCW 48.20.395 and 1985 c 54 s 5 & 1983 c 113 s 1;
- 12 (7) RCW 48.21.230 and 1985 c 54 s 6 & 1983 c 113 s 2;
- 13 (8) RCW 48.44.330 and 1985 c 54 s 7 & 1983 c 113 s 3;
- 14 (9) RCW 48.46.280 and 1985 c 54 s 8 & 1983 c 113 s 4;
- 15 (10) RCW 48.20.397 and 1985 c 54 s 1;
- 16 (11) RCW 48.21.235 and 1985 c 54 s 2;
- 17 (12) RCW 48.44.335 and 1985 c 54 s 3; and
- 18 (13) RCW 48.46.285 and 1985 c 54 s 4.

19 NEW SECTION. **Sec. 7.** The following acts or parts of acts, as now
20 existing or hereafter amended, are each repealed, effective June 30,
21 1998:

- 22 (1) RCW 48.20.411 and 1994 sp.s. c 9 s 729 & 1973 1st ex.s. c 188
23 s 3;
- 24 (2) RCW 48.21.141 and 1994 sp.s. c 9 s 730 & 1973 1st ex.s. c 188
25 s 4;
- 26 (3) RCW 48.44.290 and 1994 sp.s. c 9 s 733, 1986 c 223 s 6, & 1981
27 c 175 s 1;
- 28 (4) RCW 48.20.416 and 1974 ex.s. c 42 s 1;
- 29 (5) RCW 48.21.146 and 1974 ex.s. c 42 s 2;
- 30 (6) RCW 49.64.040 and 1988 c 259 s 1;
- 31 (7) RCW 48.21.320 and 1989 c 331 s 2;
- 32 (8) RCW 48.44.460 and 1989 c 331 s 3; and
- 33 (9) RCW 48.46.530 and 1989 c 331 s 4.

34 NEW SECTION. **Sec. 8.** The following acts or parts of acts, as now
35 existing or hereafter amended, are each repealed, effective June 30,
36 1999:

- 1 (1) RCW 48.21.240 and 1987 c 283 s 3, 1986 c 184 s 2, & 1983 c 35
- 2 s 1;
- 3 (2) RCW 48.44.340 and 1987 c 283 s 4, 1986 c 184 s 3, & 1983 c 35
- 4 s 2;
- 5 (3) RCW 48.46.290 and 1987 c 283 s 5, 1986 c 184 s 4, & 1983 c 35
- 6 s 3;
- 7 (4) RCW 48.20.414 and 1971 ex.s. c 197 s 1;
- 8 (5) RCW 48.21.144 and 1971 ex.s. c 197 s 2;
- 9 (6) RCW 48.21.160 and 1987 c 458 s 13 & 1974 ex.s. c 119 s 1;
- 10 (7) RCW 48.21.180 and 1990 1st ex.s. c 3 s 7, 1987 c 458 s 14, &
- 11 1974 ex.s. c 119 s 3;
- 12 (8) RCW 48.21.190 and 1975 1st ex.s. c 266 s 10 & 1974 ex.s. c 119
- 13 s 5;
- 14 (9) RCW 48.21.195 and 1987 c 458 s 15;
- 15 (10) RCW 48.21.197 and 1987 c 458 s 21;
- 16 (11) RCW 48.44.240 and 1990 1st ex.s. c 3 s 12, 1987 c 458 s 16,
- 17 1975 1st ex.s. 266 s 14, & 1974 ex.s. c 119 s 4;
- 18 (12) RCW 48.44.245 and 1987 c 458 s 17; and
- 19 (13) RCW 48.46.355 and 1987 c 458 s 19.

20 NEW SECTION. **Sec. 9.** The following acts or parts of acts, as now

21 existing or hereafter amended, are each repealed, effective June 30,

22 2000:

- 23 (1) RCW 41.05.170 and 1989 c 345 s 4;
- 24 (2) RCW 48.21.310 and 1989 c 345 s 2;
- 25 (3) RCW 48.44.450 and 1989 c 345 s 1;
- 26 (4) RCW 48.46.520 and 1989 c 345 s 3;
- 27 (5) RCW 48.20.520 and 1988 c 173 s 1;
- 28 (6) RCW 48.21.300 and 1988 c 173 s 2;
- 29 (7) RCW 48.44.440 and 1988 c 173 s 3;
- 30 (8) RCW 48.46.510 and 1988 c 173 s 4;
- 31 (9) RCW 48.21.220 and 1988 c 245 s 31, 1984 c 22 s 1, & 1983 c 249
- 32 s 1; and
- 33 (10) RCW 48.44.320 and 1989 1st ex.s. c 9 s 222, 1988 c 245 s 33,
- 34 1984 c 22 s 3, & 1983 c 249 s 3.

35 NEW SECTION. **Sec. 10.** The following acts or parts of acts, as now

36 existing or hereafter amended, are each repealed, effective June 30,

37 2001:

- 1 (1) RCW 48.20.390 and 1963 c 87 s 1;
- 2 (2) RCW 48.20.412 and 1971 ex.s. c 13 s 1;
- 3 (3) RCW 48.21.130 and 1963 c 87 s 2;
- 4 (4) RCW 48.44.310 and 1986 c 223 s 8 & 1983 c 286 s 2;
- 5 (5) RCW 48.21.142 and 1971 ex.s. c 13 s 2;
- 6 (6) RCW 48.20.410 and 1965 c 149 s 2;
- 7 (7) RCW 48.21.140 and 1965 c 149 s 3;
- 8 (8) RCW 48.44.225 and 1983 c 154 s 5;
- 9 (9) RCW 48.44.300 and 1986 c 223 s 7 & 1983 c 154 s 2; and
- 10 (10) RCW 48.42.100 and 1995 c 389 s 1.

11 NEW SECTION. **Sec. 11.** Sections 2 and 5 of this act shall
12 constitute a new chapter in Title 48 RCW.

13 NEW SECTION. **Sec. 12.** RCW 48.42.060, 48.42.070, and 48.42.080 are
14 each recodified in the new chapter created in section 11 of this act.

15 NEW SECTION. **Sec. 13.** If any provision of this act or its
16 application to any person or circumstance is held invalid, the
17 remainder of the act or the application of the provision to other
18 persons or circumstances is not affected.

19 NEW SECTION. **Sec. 14.** This act is necessary for the immediate
20 preservation of the public peace, health, or safety, or support of the
21 state government and its existing public institutions, and shall take
22 effect immediately.

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