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**SUBSTITUTE SENATE BILL 5431**

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**State of Washington**

**54th Legislature**

**1995 Regular Session**

**By** Senate Committee on Health & Long-Term Care (originally sponsored by Senators Prentice and Hale; by request of Insurance Commissioner)

Read first time 03/01/95.

1 AN ACT Relating to rural health care; adding a new section to  
2 chapter 43.70 RCW; creating new sections; and repealing RCW 48.45.005,  
3 48.45.010, 48.45.020, and 48.45.030.

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6 repealed: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.** A new section is added to chapter 43.70 RCW  
12 to read as follows:

13 The legislature finds that demographic, geographic, employment, and  
14 economic characteristics typical of many rural areas have resulted in  
15 restricted access to affordable health care services. Although public  
16 and private changes to health care financing, organization, and  
17 delivery have the potential to increase access to adequate health care

1 in many urban and suburban areas, the effect they will have on rural  
2 Washington is uncertain.

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

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

14 (2) Whether data collected by the insurance commissioner from  
15 insurance agents in the cities, towns, and sparsely populated areas of  
16 rural Washington, who hold a disability insurance agent's license and  
17 from those insurance companies authorized to write disability insurance  
18 coverage, registered health care service contractors and registered  
19 health maintenance organizations warrants further study to determine  
20 the availability of disability insurance coverage in the rural areas of  
21 Washington. If the study finds a lack of availability of affordable  
22 insurance that enables access to and continuity of local providers and  
23 facilities a separate category of health plans for application to rural  
24 areas may be recommended;

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

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

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

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

1        NEW SECTION.   **Sec. 4.**   In undertaking the study required under this  
2 act, the department of health shall designate and use a rural study  
3 committee to identify issues and develop recommendations.   Members of  
4 this committee shall include one member of the senate, one member of  
5 the house of representatives, to be designated by the senate majority  
6 leader and house of representative speaker respectively, one  
7 representative each from the department of social and health services,  
8 the health care authority, and the office of the insurance  
9 commissioner, and such other private or public members as the  
10 department of health deems appropriate.

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