
SENATE BILL 5999

State of Washington

54th Legislature

1995 Regular Session

By Senator Sheldon

Read first time 02/22/95. Referred to Committee on Health & Long-Term Care.

1 AN ACT Relating to payment for pharmacy providers when health
2 maintenance organizations fail to make payment; and amending RCW
3 48.46.243 and 48.46.245.

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

5 **Sec. 1.** RCW 48.46.243 and 1990 c 119 s 7 are each amended to read
6 as follows:

7 (1) Subject to subsection (2) of this section, every contract
8 between a health maintenance organization and its participating
9 providers of health care services shall be in writing and shall set
10 forth that in the event the health maintenance organization fails to
11 pay for health care services as set forth in the agreement, the
12 enrolled participant shall not be liable to the provider, except
13 pharmacy providers, for any sums owed by the health maintenance
14 organization. Every such contract shall provide that this requirement
15 shall survive termination of the contract.

16 (2) The provisions of subsection (1) of this section shall not
17 apply to emergency care from a provider who is not a participating
18 provider, to out-of-area services or, in exceptional situations
19 approved in advance by the commissioner, if the health maintenance

1 organization is unable to negotiate reasonable and cost-effective
2 participating provider contracts.

3 (3)(a) Each participating provider contract form shall be filed
4 with the commissioner fifteen days before it is used.

5 (b) Any contract form not affirmatively disapproved within fifteen
6 days of filing shall be deemed approved, except that the commissioner
7 may extend the approval period an additional fifteen days upon giving
8 notice before the expiration of the initial fifteen-day period. The
9 commissioner may approve such a contract form for immediate use at any
10 time. Approval may be subsequently withdrawn for cause.

11 (c) Subject to the right of the health maintenance organization to
12 demand and receive a hearing under chapters 48.04 and 34.05 RCW, the
13 commissioner may disapprove such a contract form if it is in any
14 respect in violation of this chapter or if it fails to conform to
15 minimum provisions or standards required by the commissioner by rule
16 under chapter 34.05 RCW.

17 (4) No participating provider, or agent, trustee, or assignee
18 thereof, may maintain an action against an enrolled participant to
19 collect sums owed by the health maintenance organization.

20 **Sec. 2.** RCW 48.46.245 and 1990 c 119 s 8 are each amended to read
21 as follows:

22 Each health maintenance organization shall have a plan for handling
23 insolvency which allows for continuation of benefits for the duration
24 of the agreement period for which premiums have been paid and
25 continuation of benefits to members who are confined on the date of
26 insolvency in an inpatient facility until their discharge or expiration
27 of benefits. The commissioner shall approve such a plan if it
28 includes:

29 (1) Insurance to cover the expenses to be paid for continued
30 benefits after insolvency;

31 (2) Except for pharmacy providers, provisions in provider contracts
32 that obligate the provider to provide services for the duration of the
33 period after the health maintenance organization's insolvency for which
34 premium payment has been made and until the enrolled participants'
35 discharge from inpatient facilities;

36 (3) Use of insolvency reserves established under RCW 48.46.240;

37 (4) Acceptable letters of credit or approved surety bonds; or

1 (5) Any other arrangements the commissioner and the organization
2 mutually agree are appropriate to assure that benefits are continued.

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