
SENATE BILL 6122

State of Washington

54th Legislature

1996 Regular Session

By Senators Quigley, Fairley, Kohl, Thibaudeau, Loveland, Sheldon, Franklin, Winsley, Pelz and McAuliffe

Read first time 01/08/96. Referred to Committee on Health & Long-Term Care.

1 AN ACT Relating to the protection of patient choice in health care
2 insurance and in the choice of health care providers; amending RCW
3 48.43.045; adding a new section to chapter 43.70 RCW; and creating a
4 new section.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that patient choice of
7 health care providers is the most effective form of health care cost
8 containment and quality assurance. The legislature further finds that
9 insurance carriers and other payers are limiting access to needed
10 health services by refusing to contract with some providers, by
11 eliminating some providers from health plans, and by discriminating
12 between providers in reimbursement.

13 It is the intent of the legislature to protect patients' choice of
14 health care providers by preventing insurance carriers' arbitrary
15 interference with these personal choices which should be patients'
16 rights in our free enterprise system.

17 **Sec. 2.** RCW 48.43.045 and 1995 c 265 s 8 are each amended to read
18 as follows:

1 (1) Every carrier, with respect to every health plan delivered,
2 issued for delivery, or renewed (~~by a health carrier~~) on and after
3 January 1, (~~1996~~) 1997, shall:

4 (~~(1)~~) (a) Permit every (~~category of health care provider~~)
5 individual health care provider regulated under chapter 18.130 RCW to
6 provide health services or care for conditions (~~included in the basic~~
7 health plan services)) to the extent that:

8 (~~(a)~~) (i) The plan covers the condition or provides the service;

9 (ii) The provision of such health services or care is within the
10 health care (~~providers')~~ provider's permitted scope of practice; and

11 (~~(b)~~) (iii) The (~~providers agree~~) provider agrees to abide by
12 the carrier's reasonable terms and conditions which shall not
13 arbitrarily discriminate between providers and which may include
14 standards related to:

15 (~~(i)~~) (A) Provision, utilization review, and cost containment of
16 health services;

17 (~~(ii)~~) (B) Management and administrative procedures; and

18 (~~(iii)~~) (C) Provision of cost-effective and clinically
19 efficacious health services(~~-~~); and

20 (~~(2)~~) (b) Annually report the names and addresses of all
21 officers, directors, or trustees of the health carrier during the
22 preceding year, and the amount of wages, expense reimbursements, or
23 other payments to such individuals.

24 (2) Subsection (1)(a) of this section does not apply to:

25 (a) Any provider whose license, certification, or registration has
26 been suspended or revoked within five years prior to the provider's
27 application to contract with a carrier to provide health care services;
28 or

29 (b) Any provider who violates the terms and conditions of the
30 provider's contract with the carrier, but only after the grievance and
31 dispute resolution procedures of the contract and of the insurance
32 commissioner adopted pursuant to subsection (4) of this section have
33 been complied with and only for a maximum period of five years.

34 (3) A health maintenance organization, to the extent that it
35 directly employs providers, is in compliance with subsection (1)(a) of
36 this section so long as the health maintenance organization:

37 (a) Permits every category of health care provider regulated under
38 chapter 18.130 RCW to provide health services or care for conditions to
39 the extent that:

1 (i) The plan covers the conditions or provides the service or care;
2 (ii) The provision of such health services or care is within the
3 health care provider's permitted scope of practice; and

4 (iii) The provider agrees to abide by standards related to:

5 (A) Provision, utilization review, and cost containment of health
6 services;

7 (B) Management and administrative procedures; and

8 (C) Provision of cost-effective and clinically efficacious health
9 services; and

10 (b) Complies with section 3 of this act.

11 (4) The insurance commissioner shall adopt such rules as are
12 appropriate and necessary to give full effect to the provisions and
13 intent of this act, including but not limited to rules defining unfair
14 practices, grievance and dispute resolution procedures, reasonable
15 contracting terms and conditions, and fair and reasonable cost-sharing
16 requirements.

17 (5) No provider or facility may enter into an agreement or contract
18 in violation of this act.

19 NEW SECTION. Sec. 3. A new section is added to chapter 43.70 RCW
20 to read as follows:

21 (1) Any quality assurance commission, professional regulatory
22 board, committee, or professional association for professions subject
23 to the secretary's authority under chapter 18.130 RCW may recommend to
24 the secretary the adoption of rules providing for standards of patient
25 care with respect to the terms and conditions of a contract or
26 agreement between a licensee and a health maintenance organization to
27 the extent that the health maintenance organization directly employs
28 providers. Recommendations shall be considered by the secretary only
29 if the proposed rule would foster strict compliance with standards of
30 patient care, professional conduct, and scopes of practice; would
31 promote quality medical and health practice to improve the public's
32 health status; would prevent unreasonable interference with patient
33 access to needed health services; and would protect the public health
34 and safety.

35 (2) The secretary is authorized to adopt rules based upon
36 recommendations made in accordance with subsection (1) of this section.
37 When practical and appropriate, and with the approval of the
38 appropriate commission, board, or committee, the secretary shall apply

1 the rules to all licensees to promote consistent standards for
2 contracting between licensees and all health maintenance organizations
3 to the extent that the health maintenance organizations directly employ
4 providers.

5 (3) Beginning one year after the promulgation of standards of
6 patient care under this section, the secretary may impose such
7 standards of patient care as a condition of licensure, certification,
8 or registration. It is a violation of practice requirements to enter
9 into a contract that does not meet such standards with a health
10 maintenance organization to the extent that the health maintenance
11 organization directly employs providers.

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