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HOUSE BILL 1337

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State of Washington                      55th Legislature                      1997 Regular Session

By Representatives Dyer, Backlund and Sherstad

Read first time 01/22/97. Referred to Committee on Health Care.

1            AN ACT Relating to authorizing providers and provider groups to  
2 offer health care coverage; and adding a new section to chapter 48.43  
3 RCW.

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

5            NEW SECTION.    **Sec. 1.** A new section is added to chapter 48.43 RCW  
6 to read as follows:

7            (1) It is the intent of the legislature to clarify the regulatory  
8 requirements of a health care provider or a provider network  
9 contracting with a third-party payer to provide health care services on  
10 a capitation, prepaid, or other at-risk basis. Further, it is the  
11 intent of the legislature to encourage innovation in the delivering and  
12 financing of health care services so long as a lawful third-party payer  
13 remains ultimately financially responsible for the provision of the  
14 health care services for which the public has paid premiums.

15            (2) Notwithstanding any other provision of this title, a health  
16 care provider or provider network is not engaging in the business of  
17 insurance or otherwise subject to the jurisdiction of this title when  
18 compensated by a third-party payer on a capitation, prepaid, or other  
19 at-risk basis so long as a lawful third-party payer is ultimately

1 financially responsible to the patient for the provision of the health  
2 care services contracted, regardless of whether or not the provider or  
3 provider network accepts compensation, which, in turn, is used to pay  
4 other types of health care providers for health care services.

5 (3) For purposes of this section, "lawful third-party payer" means  
6 a third-party payer who is operating lawfully under state or federal  
7 law, including health carriers regulated pursuant to this title;  
8 publicly funded health care service coverage programs pursuant to  
9 chapters 41.05, 70.47, and 74.09 RCW; health care service coverage  
10 programs of a local governmental authority pursuant to chapter 48.62  
11 RCW; any industrial insurance programs under Title 51 RCW; private  
12 self-insured employer welfare benefit plans exempt from state insurance  
13 regulation by federal law; and the federal government as to any of its  
14 health care programs such as medicare, civilian health and medical  
15 program for the uniform services, or coverage for a federal employee  
16 and dependent.

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