
SUBSTITUTE HOUSE BILL 2227

State of Washington

55th Legislature

1997 Regular Session

By House Committee on Commerce & Labor (originally sponsored by Representatives Clements and McMorris)

Read first time 03/05/97.

1 AN ACT Relating to health services providers under industrial
2 insurance; amending RCW 51.48.280; adding a new section to chapter
3 51.36 RCW; and prescribing penalties.

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

5 **Sec. 1.** RCW 51.48.280 and 1986 c 200 s 6 are each amended to read
6 as follows:

7 (1) Any person, firm, corporation, partnership, association,
8 agency, institution, or other legal entity, that solicits or receives
9 any remuneration (including any kickback, bribe, or rebate) directly or
10 indirectly, overtly or covertly, in cash or in kind:

11 (a) In return for referring an individual to a person for the
12 furnishing or arranging for the furnishing of any item or service for
13 which payment may be made in whole or in part under this chapter; or

14 (b) In return for purchasing, leasing, ordering, or arranging for
15 or recommending purchasing, leasing, or ordering any goods, facility,
16 service, or item for which payment may be made in whole or in part
17 under this chapter;

1 shall be guilty of a class C felony(~~(: PROVIDED, That)~~). However, the
2 fine, if imposed, shall not be in an amount more than twenty-five
3 thousand dollars, except as authorized by RCW 9A.20.030.

4 (2) Any person, firm, corporation, partnership, association,
5 agency, institution, or other legal entity, that offers or pays any
6 remuneration (including any kickback, bribe, or rebate) directly or
7 indirectly, overtly or covertly, in cash or in kind to any person to
8 induce such person:

9 (a) To refer an individual to a person for the furnishing or
10 arranging for the furnishing of any item or service for which payment
11 may be made, in whole or in part, under this chapter; or

12 (b) To purchase, lease, order, or arrange for or recommend
13 purchasing, leasing, or ordering any goods, facility, service, or item
14 for which payment may be made in whole or in part under this chapter;
15 shall be guilty of a class C felony(~~(: PROVIDED, That)~~). However, the
16 fine, if imposed, shall not be in an amount more than twenty-five
17 thousand dollars, except as authorized by RCW 9A.20.030.

18 (3) A health services provider who (a) provides a health care
19 service to a claimant, while acting as the claimant's representative
20 for the purpose of obtaining authorization for the services, and (b)
21 charges a percentage of the claimant's benefits or other fee for acting
22 as the claimant's representative under this title shall be guilty of a
23 class C felony. However, the fine, if imposed, shall not be in an
24 amount more than twenty-five thousand dollars, except as authorized by
25 RCW 9A.20.030.

26 (4) Subsections (1) and (2) of this section shall not apply to:

27 (a) A discount or other reduction in price obtained by a provider
28 of services or other entity under this chapter if the reduction in
29 price is properly disclosed and appropriately reflected in the costs
30 claimed or charges made by the provider or entity under this chapter;
31 and

32 (b) Any amount paid by an employer to an employee (who has a bona
33 fide employment relationship with such employer) for employment in the
34 provision of covered items or services.

35 (~~(4)~~) (5) Subsections (1) and (2) of this section, if applicable
36 to the conduct involved, shall supersede the criminal provisions of
37 chapter 19.68 RCW, but shall not preclude administrative proceedings
38 authorized by chapter 19.68 RCW.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 51.36 RCW
2 to read as follows:

3 In addition to other authority granted under this chapter, the
4 department may deny applications of health care providers to
5 participate as a provider of services to injured workers under this
6 title, or terminate or suspend providers' eligibility to participate,
7 if the provider uses or causes or promotes the use of, advertising
8 matter, promotional materials, or other representation, however
9 disseminated or published, that is false, misleading, or deceptive with
10 respect to the industrial insurance system or benefits for injured
11 workers under this title.

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