
SUBSTITUTE SENATE BILL 6578

State of Washington

55th Legislature

1998 Regular Session

By Senate Committee on Financial Institutions, Insurance & Housing
(originally sponsored by Senators Winsley, Wojahn, Wood and Rasmussen)

Read first time 02/06/98.

1 AN ACT Relating to regulation of health care service contractors;
2 and amending RCW 48.44.020.

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

4 **Sec. 1.** RCW 48.44.020 and 1990 c 120 s 5 are each amended to read
5 as follows:

6 (1) Any health care service contractor may enter into contracts
7 with or for the benefit of persons or groups of persons which require
8 prepayment for health care services by or for such persons in
9 consideration of such health care service contractor providing one or
10 more health care services to such persons and such activity shall not
11 be subject to the laws relating to insurance if the health care
12 services are rendered by the health care service contractor or by a
13 participating provider. However, a health care service contractor must
14 fully reimburse a provider for health care services performed within
15 the lawful scope of the provider's license.

16 (2) The commissioner may on examination, subject to the right of
17 the health care service contractor to demand and receive a hearing
18 under chapters 48.04 and 34.05 RCW, disapprove any contract form for
19 any of the following grounds:

1 (a) If it contains or incorporates by reference any inconsistent,
2 ambiguous or misleading clauses, or exceptions and conditions which
3 unreasonably or deceptively affect the risk purported to be assumed in
4 the general coverage of the contract; or

5 (b) If it has any title, heading or other indication of its
6 provisions which is misleading; or

7 (c) If purchase of health care services thereunder is being
8 solicited by deceptive advertising; or

9 (d) If, the benefits provided therein are unreasonable in relation
10 to the amount charged for the contract;

11 (e) If it contains unreasonable restrictions on the treatment of
12 patients;

13 (f) If it violates any provision of this chapter;

14 (g) If it fails to conform to minimum provisions or standards
15 required by regulation made by the commissioner pursuant to chapter
16 34.05 RCW;

17 (h) If any contract for health care services with any state agency,
18 division, subdivision, board or commission or with any political
19 subdivision, municipal corporation, or quasi-municipal corporation
20 fails to comply with state law.

21 (3)(a) Every contract between a health care service contractor and
22 a participating provider of health care services shall be in writing
23 and shall state that in the event the health care service contractor
24 fails to pay for health care services as provided in the contract, the
25 enrolled participant shall not be liable to the provider for sums owed
26 by the health care service contractor. Every such contract shall
27 provide that this requirement shall survive termination of the
28 contract.

29 (b) No participating provider, agent, trustee or assignee may
30 maintain any action against an enrolled participant to collect sums
31 owed by the health care service contractor.

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