

# HOUSE BILL REPORT

## SSB 5313

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### As Passed House:

April 8, 1999

**Title:** An act relating to the scope of mental health record audits.

**Brief Description:** Limiting the scope of mental health record audits.

**Sponsors:** Senate Committee on Health & Long-Term Care (originally sponsored by Senators Wojahn, Zarelli, Thibaudeau, Deccio and Winsley).

### Brief History:

#### Committee Activity:

Health Care: 4/1/99 [DP].

#### Floor Activity:

Passed House: 4/8/99, 96-0.

### Brief Summary of Substitute Bill

- Limits a health carrier's access to those mental health records of persons covered by the carrier.

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## HOUSE COMMITTEE ON HEALTH CARE

**Majority Report:** Do pass. Signed by 7 members: Representatives Cody, Democratic Co-Chair; Parlette, Republican Co-Chair; Pflug, Republican Vice Chair; Alexander; Campbell; Conway and Edmonds.

**Staff:** Bill Hagens (786-7131).

### Background:

The term "utilization review" is often used to describe a range of managed care cost containment strategies including monitoring a provider's pattern of treatment, determining the medical necessity of certain types or levels of treatment, and evaluating the efficacy, appropriateness, or efficiency of certain treatments for certain health conditions. As managed care financing arrangements have come to dominate health insurance, health insurance carriers have begun applying a number of these

utilization review strategies, not only to medical services, but also to mental health services.

Health carriers may also periodically perform financial audits of providers to determine compliance with reimbursement standards. Current law limits further disclosure of audit information and requires information that would enable a particular patient to be identified to be destroyed as soon as possible.

Concerns exist regarding the information used in performing utilization review and audits of outpatient mental health services.

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**Summary of Bill:**

A health carrier performing a utilization review of mental health services for a specific enrollee is limited to accessing only the specific health care information contained in the enrollee's record.

A health carrier performing an audit of a provider that has furnished mental health services to a carrier's enrollees is limited to accessing only the records of enrollees covered by the specific health carrier for which the audit is being performed.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This bill would address one of the most difficult problems regarding utilization review of mental health services. Currently, those performing these reviews for a given insurance company can request to see the files of clients of other insurance companies. This is a violation of the providers ethical standards and the laws pertaining to the confidentiality of client records. This bill would address in a uniform way a problem that providers have with each of the multiple insurance companies with whom they contract.

**Testimony Against:** None.

**Testified:** (support) Ann Simons, Washington Association for Marriage and Family Therapy; and Melanie Stewart, Washington Association of Mental Health Counselors.