

# SENATE BILL REPORT

## SB 6642

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As of January 28, 2002

**Title:** An act relating to the regulation of negotiations between health providers and health carriers.

**Brief Description:** Regulating negotiations between health providers and health carriers.

**Sponsors:** Senators Prentice, Fairley and Jacobsen.

**Brief History:**

**Committee Activity:** Labor, Commerce & Financial Institutions: 1/29/02.

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### SENATE COMMITTEE ON LABOR, COMMERCE & FINANCIAL INSTITUTIONS

**Staff:** Jack Brummel (786-7428)

**Background:** The Department of Health has the authority to grant and administer immunities from anti-trust laws for health care service organizations to further cost containment goals. Along with this authority, the department is obligated to have rules permitting health care providers to collectively negotiate with health carriers.

**Summary of Bill:** A legislative intent to exempt and immunize collective negotiations between health carriers and health care providers from state and federal anti-trust laws is stated. The Department of Health must adopt rules permitting negotiations over reimbursement and requiring good faith bargaining as well as options for voluntary mediation or arbitration in case of impasse. Such rules do not apply to the state or local governments. The Insurance Commissioner may levy a fine of \$10,000 or restrict a health carrier's activity if it is found in violation of collective negotiation and good faith bargaining rules.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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