

CERTIFICATION OF ENROLLMENT  
**ENGROSSED SUBSTITUTE SENATE BILL 6228**

Chapter 224, Laws of 2014

(partial veto)

63rd Legislature  
2014 Regular Session

HEALTH CARE COSTS AND QUALITY--CONSUMER INFORMATION

EFFECTIVE DATE: 06/12/14

Passed by the Senate March 10, 2014  
YEAS 49 NAYS 0

BRAD OWEN

\_\_\_\_\_  
**President of the Senate**

Passed by the House March 7, 2014  
YEAS 91 NAYS 6

FRANK CHOPP

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**Speaker of the House of Representatives**

Approved April 4, 2014, 3:02 p.m., with  
the exception of Section 2 which is  
vetoed.

JAY INSLEE

\_\_\_\_\_  
**Governor of the State of Washington**

CERTIFICATE

I, Hunter G. Goodman, Secretary of  
the Senate of the State of  
Washington, do hereby certify that  
the attached is **ENGROSSED  
SUBSTITUTE SENATE BILL 6228** as  
passed by the Senate and the House  
of Representatives on the dates  
hereon set forth.

HUNTER G. GOODMAN

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**Secretary**

FILED

April 4, 2014

**Secretary of State  
State of Washington**

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**ENGROSSED SUBSTITUTE SENATE BILL 6228**

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AS AMENDED BY THE HOUSE

Passed Legislature - 2014 Regular Session

**State of Washington                      63rd Legislature                      2014 Regular Session**

**By** Senate Health Care (originally sponsored by Senators Mullet, Tom, Keiser, Frockt, Parlette, Hatfield, Cleveland, Fain, Becker, Ericksen, Rolfes, and Pedersen)

READ FIRST TIME 02/07/14.

1            AN ACT Relating to transparency tools for consumer information on  
2 health care cost and quality; adding a new section to chapter 41.05  
3 RCW; adding a new section to chapter 48.43 RCW; and creating a new  
4 section.

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

6            NEW SECTION.    **Sec. 1.** Consumers face a challenge finding reliable,  
7 consumer friendly information on health care pricing and quality.  
8 Greater transparency of health care prices and quality leads to  
9 engaged, activated consumers. Research indicates that engaged and  
10 educated consumers help control costs and improve quality with lower  
11 costs per patient, lower hospital readmission rates, and the use of  
12 higher quality providers. Washington is a leader in efforts to develop  
13 and publish provider quality information.

14            Although data is available today, research indicates the existing  
15 information is not user friendly, consumers do not know which measures  
16 are most relevant, and quality ratings are inconsistent or  
17 nonstandardized. It is the intent of the legislature to ensure  
18 consumer tools are available to educate and engage patients in managing  
19 their care and understanding the costs and quality.

1        ***\*NEW SECTION. Sec. 2. A new section is added to chapter 41.05 RCW***  
2 *to read as follows:*

3        *(1) There is created a performance measures committee, the purpose*  
4 *of which is to identify and recommend standard statewide measures of*  
5 *health performance to inform public and private health care purchasers*  
6 *and to propose benchmarks to track costs and improvements in health*  
7 *outcomes.*

8        *(2) Members of the committee must include representation from state*  
9 *agencies, small and large employers, the two largest health plans by*  
10 *enrollment, patient groups, federally recognized tribal members,*  
11 *consumers, academic experts on health care measurement, hospitals,*  
12 *physicians, and other providers. The governor shall appoint the*  
13 *members of the committee, except that a statewide association*  
14 *representing hospitals may appoint a member representing hospitals, a*  
15 *statewide association representing physicians may appoint a member*  
16 *representing physicians, and a statewide association representing*  
17 *nurses may appoint a member representing nurses. The governor shall*  
18 *ensure that members represent diverse geographic locations and both*  
19 *rural and urban communities. The committee must be chaired by the*  
20 *director of the authority.*

21        *(3) The committee shall develop a transparent process for selecting*  
22 *performance measures, and the process must include opportunities for*  
23 *public comment.*

24        *(4) By January 1, 2015, the committee shall submit the performance*  
25 *measures to the authority. The measures must include dimensions of:*

- 26        *(a) Prevention and screening;*  
27        *(b) Effective management of chronic conditions;*  
28        *(c) Key health outcomes;*  
29        *(d) Care coordination and patient safety; and*  
30        *(e) Use of the lowest cost, highest quality care for preventive*  
31 *care and chronic and acute conditions.*

32        *(5) The committee shall develop a measure set that:*

- 33        *(a) Is of manageable size;*  
34        *(b) Gives preference to nationally reported measures and, where*  
35 *nationally reported measures may not be appropriate or available,*  
36 *measures used by state agencies that purchase health care or commercial*  
37 *health plans;*

1 (c) Focuses on the overall performance of the system, including  
2 outcomes and total cost;

3 (d) Is aligned with the governor's performance management system  
4 measures and common measure requirements specific to medicaid delivery  
5 systems under RCW 70.320.020 and 43.20A.895;

6 (e) Considers the needs of different stakeholders and the  
7 populations served; and

8 (f) Is usable by multiple payers, providers, hospitals, purchasers,  
9 public health, and communities as part of health improvement, care  
10 improvement, provider payment systems, benefit design, and  
11 administrative simplification for providers and hospitals.

12 (6) State agencies shall use the measure set developed under this  
13 section to inform and set benchmarks for their purchasing.

14 (7) The committee shall establish a public process to periodically  
15 evaluate the measure set and make additions or changes to the measure  
16 set as needed.

\*Sec. 2 was vetoed. See message at end of chapter.

17 NEW SECTION. **Sec. 3.** A new section is added to chapter 48.43 RCW  
18 to read as follows:

19 (1) Each carrier offering or renewing a health benefit plan on or  
20 after January 1, 2016, must offer member transparency tools with  
21 certain price and quality information to enable the member to make  
22 treatment decisions based on cost, quality, and patient experience.  
23 The transparency tools must aim for best practices and, at a minimum:

24 (a) Must display cost data for common treatments within the  
25 following categories:

26 (i) In-patient treatments;

27 (ii) Outpatient treatments;

28 (iii) Diagnostic tests; and

29 (iv) Office visits;

30 (b) Recognizing integrated health care delivery systems focus on  
31 total cost of care, carrier's operating integrated care delivery  
32 systems may meet the requirement of (a) of this subsection by providing  
33 meaningful consumer data based on the total cost of care. This  
34 subsection applies only to the portion of enrollment a carrier offers  
35 pursuant to chapter 48.46 RCW and as part of an integrated delivery  
36 system, and does not exempt from (a) of this subsection coverage

1 offered pursuant to chapter 48.21, 48.44, or 48.46 RCW if not part of  
2 an integrated delivery system;

3 (c) Are encouraged to display the cost for prescription medications  
4 on their member web site or through a link to a third party that  
5 manages the prescription benefits;

6 (d) Must include a patient review option or method for members to  
7 provide a rating or feedback on their experience with the medical  
8 provider that allows other members to see the patient review, the  
9 feedback must be monitored for appropriateness and validity, and the  
10 site may include independently compiled quality of care ratings of  
11 providers and facilities;

12 (e) Must allow members to access the estimated cost of the  
13 treatment, or the total cost of care, as set forth in (a) and (b) of  
14 this subsection on a portable electronic device;

15 (f) Must display options based on the selected search criteria for  
16 members to compare;

17 (g) Must display the estimated cost of the treatment, or total cost  
18 of the care episode, and the estimated out-of-pocket costs of the  
19 treatment for the member and display the application of personalized  
20 benefits such as deductibles and cost-sharing;

21 (h) Must display quality information on providers when available;  
22 and

23 (i) Are encouraged to display alternatives that are more cost-  
24 effective when there are alternatives available, such as the use of an  
25 ambulatory surgical center when one is available or medical versus  
26 surgical alternatives as appropriate.

27 (2) In addition to the required features on cost and quality  
28 information, the member transparency tools must include information to  
29 allow a provider and hospital search of in-network providers and  
30 hospitals with provider information including specialists, distance  
31 from patient, the provider's contact information, the provider's  
32 education, board certification and other credentials, where to find  
33 information on malpractice history and disciplinary actions, affiliated  
34 hospitals and other providers in a clinic, and directions to provider  
35 offices and hospitals.

36 (3) Each carrier offering or renewing a health benefit plan on or  
37 after January 1, 2016, must provide enrollees with the performance  
38 information required by section 2717 of the patient protection and

1 affordable care act, P.L. 111-148 (2010), as amended by the health care  
2 and education reconciliation act, P.L. 111-152 (2010), and any federal  
3 regulations or guidance issued under that section of the affordable  
4 care act.

5 (4) Each carrier offering or renewing a health benefit plan on or  
6 after January 1, 2016, must, within thirty days from the offer or  
7 renewal date, attest to the office of the insurance commissioner that  
8 the member transparency tools meet the requirements in this section and  
9 access to the tools is available on the home page within the health  
10 plan's secured member web site.

Passed by the Senate March 10, 2014.

Passed by the House March 7, 2014.

Approved by the Governor April 4, 2014, with the exception of  
certain items that were vetoed.

Filed in Office of Secretary of State April 4, 2014.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Section 2,  
Engrossed Substitute Senate Bill No. 6228 entitled:

"AN ACT Relating to transparency tools for consumer information on  
health care cost and quality."

This bill requires that by 2016 health insurance carriers offer their  
members a host of good on-line tools with certain health care price  
and quality information. It complements my requested innovative  
health care purchasing bill, HB 2572. Together, I hope these bills  
help to transform the marketplace to make health care more affordable  
for Washingtonians.

Section 2 is an amendment to the original bill that includes nearly  
identical language as a section in HB 2572. This creates an  
unnecessary duplication in the law. In addition, the section in HB  
2572 includes language that corresponds to the other health care  
purchasing innovations, so it is preferable to keep that language.

For these reasons I have vetoed Section 2 of Engrossed Substitute  
Senate Bill No. 6228.

With the exception of Section 2, Engrossed Substitute Senate Bill No.  
6228 is approved."