
SENATE BILL 5725

State of Washington

53rd Legislature

1993 Regular Session

By Senators Rinehart, McDonald and Moyer; by request of Department of Social and Health Services

Read first time 02/10/93. Referred to Committee on Ways & Means.

1 AN ACT Relating to computerized medical insurance eligibility and
2 beneficiary coverage information available to the department of social
3 and health services from medical insurance payers; and adding a new
4 chapter to Title 74 RCW.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that:

7 (1) Simplification in the administration of payment of health
8 benefits is important for the state, providers, and private insurers;

9 (2) The state, providers, and private insurers should take
10 advantage of all opportunities to streamline operations through
11 automation and the use of common computer standards; and

12 (3) It is in the best interests of the state, providers, and
13 private insurers to identify all third parties that are obligated to
14 cover the cost of health care coverage of joint beneficiaries.

15 Therefore, the legislature declares that to improve the
16 coordination of benefits between the department of social and health
17 services and private insurers to ensure that medical insurance benefits
18 are properly utilized, a transfer of uniform information from the

1 department of social and health services to Washington state private
2 insurers should be instituted.

3 NEW SECTION. **Sec. 2.** For the purposes of this chapter:

4 (1) "Health insurance coverage" includes any coverage under which
5 medical services are provided by an employer or a union whether that
6 coverage is provided through a self-insurance program, under the
7 employee retirement income security act of 1974, a commercial insurer
8 pursuant to chapters 48.20 and 48.21 RCW, a health care service
9 contractor pursuant to chapter 48.44 RCW, or a health maintenance
10 organization pursuant to chapter 48.46 RCW, and medical assistance
11 under chapter 74.09 RCW, and the state through this chapter.

12 (2) "Insurer" means a commercial insurance company providing
13 disability insurance under chapter 48.20 or 48.21 RCW, a health care
14 service contractor providing health care coverage under chapter 48.44
15 RCW, a health maintenance organization providing comprehensive health
16 care services under chapter 48.46 RCW, and shall also include any
17 employer or union that is providing health insurance coverage on a
18 self-insured basis.

19 (3) "Medical assistance administration" means the division within
20 the department of social and health services authorized under chapter
21 74.09 RCW.

22 (4) "Computerized" means on-line or batch processing with
23 standardized format via magnetic tape output.

24 (5) "Insurance coverage" means subscriber and beneficiary
25 eligibility and benefit coverage data.

26 (6) "Joint beneficiary" is a resident of Washington state who has
27 private insurance coverage and is a recipient of public assistance
28 benefits under chapter 74.09 RCW.

29 NEW SECTION. **Sec. 3.** (1) The medical assistance administration
30 shall provide routine and periodic computerized information to private
31 insurers regarding client eligibility and coverage information.
32 Private insurers shall use this information to identify joint
33 beneficiaries. Identification of joint beneficiaries shall be
34 transmitted to the medical assistance administration. The medical
35 assistance administration shall use this information to improve
36 accuracy and currency of health insurance coverage and promote improved
37 coordination of benefits.

1 (2) To the maximum extent possible, necessary data elements and a
2 compatible data base shall be developed by affected health insurers and
3 the medical assistance administration. The medical assistance
4 administration shall establish a representative group of insurers and
5 state agency representatives to develop necessary technical and file
6 specifications to promote a standardized data base. The data base
7 shall include elements essential to the medical assistance
8 administration and its population's insurance coverage information.

9 (3) If the state and private insurers enter into other agreements
10 regarding the use of common computer standards, the data base
11 identified in this section shall be replaced by the new common computer
12 standards.

13 (4) The information provided will be of sufficient detail to
14 promote reliable and accurate benefit coordination and identification
15 of individuals who are also eligible for medical assistance
16 administration programs.

17 (5) The frequency of updates will be mutually agreed to by each
18 insurer and the medical assistance administration based on frequency of
19 change and operational limitations. In no event shall the computerized
20 data be provided less than semiannually.

21 (6) The insurers and the medical assistance administration shall
22 safeguard and properly use the information to protect records as
23 provided by law, including but not limited to chapters 42.48, 74.09,
24 74.04, and 70.02 RCW, RCW 42.17.310, and 42 U.S.C. Sec. 1396a and 42
25 C.F.R. Sec. 43 et seq. The purpose of this exchange of information is
26 to improve coordination and administration of benefits and ensure that
27 medical insurance benefits are properly utilized.

28 (7) The medical assistance administration shall target
29 implementation of this chapter to those private insurers with the
30 highest probability of joint beneficiaries.

31 NEW SECTION. **Sec. 4.** Sections 1 through 3 of this act shall
32 constitute a new chapter in Title 74 RCW.

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