

# SENATE BILL REPORT

## SB 6493

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As Reported By Senate Committee On:  
Health & Long-Term Care, February 2, 1996

**Title:** An act relating to consumer health information.

**Brief Description:** Providing for consumer health information.

**Sponsors:** Senators Moyer, Wood, Thibaudeau, Prentice, Kohl, Deccio, Fairley and McAuliffe.

**Brief History:**

**Committee Activity:** Health & Long-Term Care: 1/29/96, 2/2/96 [DPS].

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### SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

**Majority Report:** That Substitute Senate Bill No. 6493 be substituted therefor, and the substitute bill do pass.

Signed by Senators Quigley, Chair; Wojahn, Vice Chair; Deccio, Fairley, Franklin, Moyer, Thibaudeau, Winsley and Wood.

**Staff:** Wendy Saunders (786-7439)

**Background:** The health care delivery system is changing rapidly. Consumers need to know which options for patient care exist when selecting health plans. Patients frequently lack information necessary to make informed choices about the health plans they select. Concern exists that many consumers are unaware of which health care services are covered in their plans and which benefits are excluded until the time that services are needed. Consumers may have difficulty obtaining detailed information and understanding the language used in their health care policies.

Additionally, it has been reported that some health plans have begun to censor the information that health care providers can share with their patients, including treatment information and the coverage policies of different plans. It is also reported that some health plans require providers and patients to sign agreements to release the plan from liability and to prevent patients from purchasing health care outside of the plan.

There is also concern about the use of a process called utilization review, which is used to determine whether a particular health care treatment is warranted and should be reimbursed. It has been suggested that utilization review decisions can be arbitrary and made by individuals with little or no experience in health care.

**Summary of Substitute Bill:** All health care payors subject to the jurisdiction of the state of Washington must disclose information about their health plans to plan enrollees or prospective enrollees upon request. The information must be easily understandable and must include any information referred to in the enrollee's service agreement.

The disclosure must also contain information on procedures to be followed for prior authorization or for referral to a non-primary practitioner. It must also state whether a point of service option is available to enrollees and whether a plan drug list is used.

Utilization review standards are set, including requirements for an appeals procedure for denied claims, a timely response to requests for prior authorization and requirements.

Contracts that limit the liability of a plan, prevent the exchange of information between providers and enrollees or prohibit enrollees from purchasing health care outside of the plan are prohibited.

**Substitute Bill Compared to Original Bill:** The substitute bill clarifies that administrative reviews, and not other forms of health care reviews, are referred to in the bill. The requirement that final treatment decisions may be made by physicians is changed to allow those decisions to be delegated to licensed health care professionals through written protocols by a physician. The requirement to consult medical and mental health specialists on decisions of medical necessity or appropriateness and to provide appeals before medical consultants is also changed to require consultation with licensed health care providers. Immunity is no longer provided for authors of comparison documents based on information provided in the disclosure.

**Appropriation:** None.

**Fiscal Note:** Requested on January 17, 1996.

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

**Testimony For:** There is growing concern about the practices of managed care organizations. The media has covered stories about gag rules and a lack of insurer liability, which should be prohibited. Patients need disclosure of information so that they know what kind of health care coverage they are buying. This is not anti-managed care legislation.

**Testimony Against:** None.

**Testified:** Susie Tracy, Andy Dolan, Washington State Medical Assn.; Nick Federici, Washington State Nurses Association.