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ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1728

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State of Washington

57th Legislature

2001 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Campbell, Schual-Berke, Skinner and Cody)

Read first time 03/08/2001. Referred to Committee on .

1 AN ACT Relating to third-party administrators for health carriers;  
2 creating a new section; and declaring an emergency.

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

4 NEW SECTION. **Sec. 1.** (1) The insurance commissioner shall  
5 establish the task force on third-party administrator regulation. The  
6 task force shall consist of thirteen members. The co-speakers of the  
7 house of representatives shall select two members from the house of  
8 representatives, one from each political caucus, and the president of  
9 the senate shall select two members from the senate, one from each  
10 political caucus. The commissioner shall select two members  
11 representing health carriers, one member representing third-party  
12 administrators with a contractual relationship with a health carrier,  
13 one member representing health care purchasers, two members  
14 representing licensed health care providers, two members representing  
15 consumers, and one representative of the office of insurance  
16 commissioner, who shall act in an ex officio capacity.

17 (2) The task force shall review the need for regulation of third-  
18 party administrators, including:

19 (a) Network adequacy and disclosure of network adequacy standards;

- 1 (b) Provider application and credentialing processes;
- 2 (c) The consistency of third-party administrator standards and  
3 benefit packages sold by health carriers, including utilization  
4 guidelines;
- 5 (d) The revocation of prior authorization;
- 6 (e) The receipt of provider claims; and
- 7 (f) The classes of third-party administrators that should be  
8 subject to state regulation.

9 (3) The task force shall report its findings and recommendations to  
10 the legislature no later than December 15, 2001. In conducting its  
11 work, the task force shall monitor the development of the national  
12 association of insurance commissioners proposal to develop a model  
13 state statute on the regulation of third-party administrators, and  
14 incorporate appropriate elements of the model statute in its  
15 recommendation to the legislature.

16 NEW SECTION. **Sec. 2.** This act is necessary for the immediate  
17 preservation of the public peace, health, or safety, or support of the  
18 state government and its existing public institutions, and takes effect  
19 immediately.

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