
HOUSE BILL 2635

State of Washington**57th Legislature****2002 Regular Session**

By Representatives Cody, Campbell, Schual-Berke, Conway, Dickerson, Berkey, Edwards, Chase, McIntire, Ogden, Jackley, Kenney and Kagi; by request of Governor Locke

Read first time 01/23/2002. Referred to Committee on Health Care.

1 AN ACT Relating to development of consolidated purchasing and
2 administration of health care services; adding new sections to chapter
3 41.05 RCW; providing an expiration date; and declaring an emergency.

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

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

7 (1) The administrator, in concert with other state agencies
8 involved in state purchased health care and other interested parties
9 designated by the administrator, will begin implementation of
10 consolidated health care services purchasing and administration by
11 January 1, 2003.

12 (2) The authority, in concert with the other state agencies that
13 purchase health care, must develop and implement strategies to:

14 (a) Promote greater value and cost-effectiveness in health care
15 delivery through consolidated state purchasing and contracting;

16 (b) Promote effective use of health care, patient safety, and
17 health outcomes;

18 (c) Enhance the state's ability to manage the rate of health care
19 inflation by leveraging state purchasing;

1 (d) Streamline and consolidate state health care administrative
2 processes to promote greater efficiencies;

3 (e) Reduce the administrative burden for health care providers and
4 patients;

5 (f) Consolidate state purchasing and administrative activities;

6 (g) Improve consumer education and achieve meaningful cost sharing;
7 and

8 (h) Improve accountability of contractors, health plans, and
9 providers through evaluation and monitoring of quality, service
10 utilization, costs, access, and customer satisfaction.

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

13 The administrator has the following powers and duties:

14 (1) To implement consolidated health care services purchasing and
15 administration directly, by contract, by interagency agreement, by
16 necessary federal waivers, or by any combination thereof;

17 (2) To manage in the most cost-effective manner consolidated health
18 care services purchasing and administration to include all state
19 agencies that provide state purchased health care. The administrator
20 will consolidate the various state agency administrative functions,
21 data, and information systems, and operational activities related to
22 the purchase and procurement of health care services necessary to
23 implement this act. This may include, but is not limited to,
24 purchasing and contracting, information systems for claims processing
25 and program administration, program eligibility determinations, member
26 benefit and provider relations services, provider credentialing,
27 contract monitoring, and provider utilization review activities;

28 (3) To develop and implement strategies to encourage school
29 districts, educational service districts, counties, municipalities, and
30 other political subdivisions to participate in consolidated health care
31 purchasing;

32 (4) To design and implement public-private cooperative purchasing
33 strategies that encourage the participation of private purchasers in
34 consolidated health care services purchasing and promote greater value
35 in health care delivery and cost efficiencies for state agencies and
36 private purchasers; and

37 (5) To adopt all rules necessary to implement the provisions of
38 this act.

1 NEW SECTION. **Sec. 3.** A new section is added to chapter 41.05 RCW
2 to read as follows:

3 (1) By October 1, 2002, the administrator must submit to the
4 governor and the health care and fiscal committees of the legislature
5 an initial report on the feasibility of requiring all school districts
6 and educational service districts to participate in consolidated
7 purchasing under this act beginning with the 2003-04 school year. By
8 December 1, 2002, the administrator must submit to the governor and the
9 health care and fiscal committees of the legislature a final report on
10 the study provided under this subsection. All school districts and
11 educational service districts must cooperate with the authority in
12 conducting the study required by this subsection.

13 (2) By January 1, 2003, the administrator must submit to the
14 governor and the health care and fiscal committees of the legislature
15 a progress report regarding the implementation of this act.

16 (3) By January 1, 2005, the administrator must submit to the
17 governor and the health care and fiscal committees of the legislature
18 a report on the impacts of consolidated purchasing and administration
19 and any recommendations for modifications and improvements.

20 (4) This section expires January 1, 2005.

21 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
22 preservation of the public peace, health, or safety, or support of the
23 state government and its existing public institutions, and takes effect
24 immediately.

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