

HOUSE BILL REPORT

SHB 2404

As Passed House:
February 9, 2006

Title: An act relating to retainer health care practices.

Brief Description: Regulating retainer health care practices.

Sponsors: By House Committee on Health Care (originally sponsored by Representatives Cody and Morrell; by request of Insurance Commissioner).

Brief History:

Committee Activity:

Health Care: 1/13/06, 1/27/06 [DPS].

Floor Activity:

Passed House: 2/9/06, 95-3.

Brief Summary of Substitute Bill

- Primary care providers who engage in a health care retainer practice will be regulated by the Office of the Insurance Commissioner.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 15 members: Representatives Cody, Chair; Campbell, Vice Chair; Morrell, Vice Chair; Hinkle, Ranking Minority Member; Curtis, Assistant Ranking Minority Member; Alexander, Appleton, Bailey, Clibborn, Condotta, Green, Lantz, Moeller, Schual-Berke and Skinner.

Staff: Dave Knutson (786-7146).

Background:

The practice of physicians charging patients an annual fee for enhanced access has increased in recent years. The additional cost provides a patient with personalized health care services, including same-day appointments, comprehensive annual physicals, home visits, accompaniment to emergency rooms and specialists' offices, and immediate access to their physician via cell phone or pager. Retainer health care provides a physician the option to see fewer patients, spend more time with patients in their practice, work fewer hours, and reduce the amount of paperwork they must complete.

The Office of the Insurance Commissioner has determined that health care providers who engage in the practice of retainer health care are subject to state regulation.

Summary of Substitute Bill:

Retainer health care practices are defined as a provider, group, or entity that furnishes only primary care services and enters into retainer agreements with retainer subscribers. Retainer practices may charge a retainer fee for being available to provide and providing primary care services to a retainer subscriber during a specified service period. Retainer fees must be deposited in a trust account and distributed to the retainer practice at the end of the specified service period. Retainer practices are prohibited from entering into provider contracts with health plans or a health plan's contractors or subcontractor to provide health care services to a retainer subscriber in exchange for payment from the health plan. They are also prohibited from submitting claims or being identified as a network provider for health care services provided through the retainer practice. Retainer practices must submit a letter to the Insurance Commissioner annually certifying compliance with the provisions of the retainer health care practice regulations.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: (In support) This is an innovative, new approach to delivering health care and providing coverage. Consumers will benefit from this type of health practice.

(With concerns) If passed, this type of health plan will be exempt from most of the mandated benefits of Title 48 RCW.

Testimony Against: Retainer health plans will be able to compete unfairly against health carriers. They should be held to the same standards the Insurance Commission is using to regulate the delivery of health insurance.

Persons Testifying: (In support) Representative Cody, prime sponsor; Representative Morrell; Dr. Garrison Bliss, Seattle Medical Associates; Andy Dolan, Washington State Medical Association; and Beth Berendt, Office of the Insurance Commissioner.

(With concerns) Mel Sorensen, America's Health Insurance Plans.

(Opposed) Sydney Zvara, Association of Washington Healthcare Plans.

Persons Signed In To Testify But Not Testifying: None.