

HOUSE BILL REPORT

HB 2616

As Reported by House Committee On:
Appropriations

Title: An act relating to nonparticipating providers.

Brief Description: Concerning nonparticipating providers.

Sponsors: Representatives Cody, Macri and Tharinger; by request of Health Care Authority.

Brief History:

Committee Activity:

Appropriations: 1/27/20, 2/3/20 [DP].

Brief Summary of Bill

- Removes the July 1, 2021, expiration of provisions requiring Medicaid managed health care systems to maintain adequate provider networks and to pay nonparticipating providers no more than the lowest amount paid for the same services under contracts with similar providers in the state.
- Requires managed health care systems to make good faith efforts to contract with nonparticipating providers before paying the lowest amount paid for the same services under contracts with similar providers in the state.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 32 members: Representatives Ormsby, Chair; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Stokesbary, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Rude, Assistant Ranking Minority Member; Caldier, Chandler, Chopp, Cody, Corry, Dolan, Dye, Fitzgibbon, Hoff, Hudgins, Kilduff, Kraft, Macri, Mosbrucker, Pettigrew, Pollet, Ryu, Schmick, Senn, Springer, Steele, Sullivan, Sutherland, Tarleton, Tharinger and Ybarra.

Staff: Meghan Morris (786-7119).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Medicaid is a federal-state partnership with programs established in the federal Social Security Act and implemented at the state level with federal matching funds. Federal law provides a framework for medical coverage of children, pregnant women, parents, elderly and disabled adults, and other adults with varying income requirements.

Managed care is a prepaid, comprehensive system of medical and health care delivery, including preventive, primary, specialty, and ancillary health services through a network of providers. Managed care systems serving Medicaid clients must pay nonparticipating providers the lowest amounts the systems pay for the same services under the systems' contracts with similar providers in the state. Nonparticipating providers must accept those rates as payment in full, in addition to any deductibles, coinsurance, or copayments due from the patients. Enrollees are not liable to nonparticipating providers for covered services, except for amounts due for any deductibles, coinsurances, or copayments.

Managed care systems must maintain networks of appropriate providers sufficient to provide adequate access to all services covered under their contracts with the state, including hospital-based services. The Health Care Authority must monitor and periodically report to the Legislature on the proportion of services provided by contracted providers and nonparticipating providers for each of their managed care systems.

Requirements for Medicaid managed health care providers to maintain adequate provider networks and to pay nonparticipating providers the lowest amounts the systems pay for the same services with similar providers expire on July 1, 2021.

Summary of Bill:

The July 1, 2021, expiration is removed for the requirements for Medicaid managed health care providers to maintain adequate provider networks and to pay nonparticipating providers the lowest amounts the systems pay for the same services with similar providers.

Managed health care systems must make good faith efforts to contract with nonparticipating providers before paying the lowest amount paid for the same services under contracts with similar providers in the state.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) This bill is straightforward and simply continues a process that the Medicaid program has had in place for several years. The bill removes the expiration clause. It is critical this bill passes this session so the Health Care Authority is not faced with new major expenses when building the biennial budget. There is no fiscal impact of the bill, but if it is not enacted the state could incur significant expenses. The bill protects the state and taxpayers from paying bill charges to out-of-network providers in the Medicaid program and ensures fiscal predictability for the state and managed care plans.

(Opposed) Washington citizens have no interest in balance billing for Medicaid patients. It is broadly acknowledged that Medicaid reimbursement is not at the level it needs to be to ensure access to care. This policy is exemplary of Washington state's Medicaid reimbursement policy. The nonparticipating provider policy should not be permanently enshrined in state law, but rather included in general, holistic conversations about Medicaid reimbursement.

Persons Testifying: (In support) MaryAnne Lindeblad, Washington State Health Care Authority; and Christine Brewer, Association of Washington Healthcare Plans.

(Opposed) Sean Graham, Washington State Medical Association.

Persons Signed In To Testify But Not Testifying: None.