

HOUSE BILL REPORT

HB 2337

*As Reported By House Committee on:
Health Care
Appropriations*

Title: An act relating to community clinics that utilize retired physicians to provide primary care to low-income persons without compensation.

Brief Description: Providing malpractice insurance for retired physicians serving low-income patients.

Sponsor(s): Representatives Morris, Moyer, Paris, Casada, Franklin, Braddock, Ebersole, H. Myers, Schmidt, Appelwick, Ogden, Locke, Hargrove, Edmondson, D. Sommers, Cantwell, Hochstatter, Rasmussen, Forner, R. Johnson, Zellinsky, Rayburn, Nealey, Heavey, Wineberry, Chandler, Roland, J. Kohl, Ludwig, Mitchell, Orr, Spanel, May, Leonard, Haugen, Ferguson, Sprenkle, Miller, O'Brien and Anderson.

Brief History:

Reported by House Committee on:
Health Care, January 27, 1992, DPS;
Appropriations, February 9, 1992, DPS(HC-A APP).

**HOUSE COMMITTEE ON
HEALTH CARE**

Majority Report: *The substitute bill be substituted therefor and the substitute bill do pass.* Signed by 11 members: Representatives Braddock, Chair; Day, Vice Chair; Moyer, Ranking Minority Member; Casada, Assistant Ranking Minority Member; Cantwell; Edmondson; Franklin; Morris; Paris; Prentice; and Sprenkle.

Staff: John Welsh (786-7133).

Background: There are a number of physicians retired from full-time practice who are providing basic health care services without compensation to low-income patients. These physicians practice in public health and community clinics on a part-time basis. The funding of liability insurance for these physicians is being curtailed by counties, and the cost of purchasing individual liability insurance policies by these physicians is a burden that may deter them from practicing.

Community clinics include public health and non-profit community health centers that provide primary care to individuals at a charge based upon their ability to pay.

Up to 16 percent of the state's population do not have health insurance at any one time.

Summary of Substitute Bill: The Department of Health is directed to purchase and maintain liability insurance for retired physicians who provide primary care without compensation to low income persons at community clinics. The department is required to contract with an insurer for providing the coverage, but the insurer may refuse to cover the physician for claims experience or other appropriate reasons. The state is immune from liability for malpractice claims against clinics or physicians, and claims based upon the performance of official acts within its responsibilities.

The department is authorized to establish by rule the conditions for participation by physicians in the liability program. In addition, there are several mandated conditions. The physician must be currently licensed as a retiree and must limit practice to primary non-invasive care procedures. However, injections, incisions and suturing are included. The liability insurance provided covers only acts within this scope of practice. Participating physicians must serve low income individuals through community clinics without compensation.

Mediation and arbitration agreements for resolving questions of liability may be used. However, any format must be on one page and clear enough for a person with a sixth grade education to understand.

Substitute Bill Compared to Original Bill: A number of clarifying changes are made. The definition of primary care is limited to non-invasive procedures.

Fiscal Note: Available.

Appropriation: \$50,000 - General Fund.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: Retired physicians may not be inclined to provide free care to low-income persons through community clinics unless these physicians are relieved of the costly burden of maintaining liability insurance. The county health departments can no longer afford to provide coverage. The state can provide this coverage more economically by

contracting with insurers under conditions which will minimize the risks of liability under a uniform plan. The small cost of this program is cost effective in assuring free care to individuals who would otherwise be covered under Medical Assistance, or by avoidance of more costly care through emergency room settings.

Testimony Against: None presented.

Witnesses: Carrie Bashaw and Jeanne Edwards, Washington Association of Community Health Centers (Pro); Dr. E. G. Wygant, Snohomish County Community Health Center (Pro); Michele Radosevich, Washington State Trial Lawyers Association (Pro); Max McMullen, Department of Health (Pro concept); Dr. Sam Beall, Community Health Clinic of Vancouver (Pro); Representative Morris, prime sponsor (pro); Tom Milne, Northwest District Health Department (Pro); Cliff Webster, Washington State Medical Association (Pro); and Dr. Neil Thorlakson (Pro).

**HOUSE COMMITTEE ON
APPROPRIATIONS**

Majority Report: *The substitute bill by Committee on Health Care be substituted therefor and the substitute bill as amended by Committee on Appropriations do pass.* Signed by 25 members: Representatives Locke, Chair; Inslee, Vice Chair; Spanel, Vice Chair; Silver, Ranking Minority Member; Morton, Assistant Ranking Minority Member; Appelwick; Belcher; Bowman; Brekke; Carlson; Dorn; Ebersole; Hine; Lisk; May; Mielke; Nealey; Peery; Pruitt; Rust; D. Sommers; H. Sommers; Valle; Vance; and Wang.

Staff: Maureen Morris (786-7152).

Summary of Recommendation of Committee on Appropriations Compared to Recommendation of Committee on Health Care: Language is added clarifying that the purchase of liability is limited to amounts appropriated for that purpose by the Legislature. The appropriation section is removed. The act is null and void if it is not specifically funded in the supplemental operating budget by June 30, 1992.

Fiscal Note: Available.

Appropriation: Removed.

Effective Date: Ninety days after adjournment of session in which bill is passed. The act is null and void if it is not specifically funded in the supplemental operating budget by June 30, 1992.

Testimony For: This is an inexpensive way of providing care to low income people. Malpractice insurance is a large part of some clinics. This program will allow limited clinic budgets to be used to purchase medications and other direct services for patients.

Testimony Against: None.

Witnesses: Representative Betty Sue Morris; Dr. Sam Beall, Community Health Clinic, Vancouver; and Cliff Webster, Washington State Medical Association (all in support).