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HOUSE BILL 1423

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State of Washington

53rd Legislature

1993 Regular Session

By Representatives Veloria and Lisk; by request of Department of Labor & Industries

Read first time 01/27/93. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to health care provider industrial insurance  
2 coverage in violation of medical aid rules; and amending RCW 51.36.110.

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

4 **Sec. 1.** RCW 51.36.110 and 1986 c 200 s 2 are each amended to read  
5 as follows:

6 The director of the department of labor and industries or the  
7 director's authorized representative shall have the authority to:

8 (1) Conduct audits and investigations of providers of medical,  
9 dental, vocational, and other health services furnished to industrially  
10 injured workers pursuant to Title 51 RCW. In the conduct of such  
11 audits or investigations, the director or the director's authorized  
12 representatives may examine all records, or portions thereof, including  
13 patient records, for which services were rendered by a health services  
14 provider and reimbursed by the department, notwithstanding the  
15 provisions of any other statute which may make or purport to make such  
16 records privileged or confidential: PROVIDED, That no original patient  
17 records shall be removed from the premises of the health services  
18 provider, and that the disclosure of any records or information  
19 obtained under authority of this section by the department of labor and

1 industries is prohibited and constitutes a violation of RCW 42.22.040,  
2 unless such disclosure is directly connected to the official duties of  
3 the department: AND PROVIDED FURTHER, That the disclosure of patient  
4 information as required under this section shall not subject any  
5 physician or other health services provider to any liability for breach  
6 of any confidential relationships between the provider and the patient:  
7 AND PROVIDED FURTHER, That the director or the director's authorized  
8 representative shall destroy all copies of patient medical records in  
9 their possession upon completion of the audit, investigation, or  
10 proceedings;

11 (2) Deny or reduce payment or demand reimbursement or recoupment,  
12 with or without a penalty, of sums paid to providers for services  
13 billed in violation of medical aid rules or fee schedules. Amounts  
14 paid within the thirty-six calendar months immediately preceding the  
15 date of the demand may be included in the demand. If any payment to a  
16 provider has been induced by fraud the department may terminate or  
17 suspend eligibility to participate as a provider of services furnished  
18 to any or all workers covered under this title and the provisions of  
19 RCW 51.32.240(4) shall apply;

20 (3) Approve or deny applications to participate as a provider of  
21 services furnished to industrially injured workers pursuant to Title 51  
22 RCW; and

23 ~~((+3+))~~ (4) Terminate or suspend eligibility to participate as a  
24 provider of services furnished to industrially injured workers pursuant  
25 to Title 51 RCW.

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