

CERTIFICATION OF ENROLLMENT  
**ENGROSSED SUBSTITUTE SENATE BILL 6392**

Chapter 312, Laws of 1996

54th Legislature  
1996 Regular Session

MANAGED CARE ENTITIES--DISCLOSURE

EFFECTIVE DATE: 7/1/96

Passed by the Senate March 7, 1996  
YEAS 46 NAYS 2

JOEL PRITCHARD

**President of the Senate**

Passed by the House March 1, 1996  
YEAS 97 NAYS 0

CLYDE BALLARD

**Speaker of the  
House of Representatives**

Approved March 30, 1996

MIKE LOWRY

**Governor of the State of Washington**

CERTIFICATE

I, Marty Brown, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 6392** as passed by the Senate and the House of Representatives on the dates hereon set forth.

MARTY BROWN

**Secretary**

FILED

March 30, 1996 - 4:46 p.m.

**Secretary of State  
State of Washington**

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**ENGROSSED SUBSTITUTE SENATE BILL 6392**

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AS AMENDED BY THE HOUSE

Passed Legislature - 1996 Regular Session

**State of Washington                      54th Legislature                      1996 Regular Session**

**By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Wood, Quigley, Roach, Cantu, Deccio, Prince and Moyer)**

Read first time 02/02/96.

1            AN ACT Relating to disclosure by managed care entities; adding new  
2 sections to chapter 48.43 RCW; creating a new section; and providing an  
3 effective date.

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

5            NEW SECTION.    **Sec. 1.**    LEGISLATIVE FINDINGS.    It is the intent of  
6 the legislature to ensure that all enrollees in managed care settings  
7 have access to adequate information regarding health care services  
8 covered by health carriers' health plans, and provided by health care  
9 providers and health care facilities.    It is only through such  
10 disclosure that Washington state citizens can be fully informed as to  
11 the extent of health insurance coverage, availability of health care  
12 service options, and necessary treatment.    With such information,  
13 citizens are able to make knowledgeable decisions regarding their  
14 health care.

15            NEW SECTION.    **Sec. 2.**    CENSORING PROVIDER INFORMATION TO PATIENTS  
16 BY CARRIERS.    (1) No health carrier subject to the jurisdiction of the  
17 state of Washington may in any way preclude or discourage their  
18 providers from informing patients of the care they require, including

1 various treatment options, and whether in their view such care is  
2 consistent with medical necessity, medical appropriateness, or  
3 otherwise covered by the patient's service agreement with the health  
4 carrier. No health carrier may prohibit, discourage, or penalize a  
5 provider otherwise practicing in compliance with the law from  
6 advocating on behalf of a patient with a health carrier. Nothing in  
7 this section shall be construed to authorize providers to bind health  
8 carriers to pay for any service.

9 (2) No health carrier may preclude or discourage patients or those  
10 paying for their coverage from discussing the comparative merits of  
11 different health carriers with their providers. This prohibition  
12 specifically includes prohibiting or limiting providers participating  
13 in those discussions even if critical of a carrier.

14 (3) The insurance commissioner is prohibited from adopting rules  
15 regarding this section.

16 NEW SECTION. **Sec. 3.** PATIENT AND PROVIDER MANAGED CARE OPT-OUT  
17 PROVISION. Notwithstanding any other provision of law, no health  
18 carrier subject to the jurisdiction of the state of Washington may  
19 prohibit directly or indirectly its enrollees from freely contracting  
20 at any time to obtain any health care services outside the health care  
21 plan on any terms or conditions the enrollees choose. Nothing in this  
22 section shall be construed to bind a carrier for any services delivered  
23 outside the health plan. The provisions of this section shall be  
24 disclosed pursuant to section 4(2) of this act. The insurance  
25 commissioner is prohibited from adopting rules regarding this section.

26 NEW SECTION. **Sec. 4.** CARRIER DISCLOSURE TO PATIENTS REGARDING  
27 CARRIER POLICIES. (1) Upon the request of an enrollee or a prospective  
28 enrollee, a health carrier, as defined in RCW 48.43.005, and the  
29 Washington state health care authority, established by chapter 41.05  
30 RCW, shall provide the following information:

31 (a) The availability of a point-of-service plan and how the plan  
32 operates within the coverage;

33 (b) Any documents, instruments, or other information referred to in  
34 the enrollment agreement;

35 (c) A full description of the procedures to be followed by an  
36 enrollee for consulting a provider other than the primary care provider

1 and whether the enrollee's primary care provider, the carrier's medical  
2 director, or another entity must authorize the referral;

3 (d) Whether a plan provider is restricted to prescribing drugs from  
4 a plan list or plan formulary, what drugs are on the plan list or  
5 formulary, and the extent to which enrollees will be reimbursed for  
6 drugs that are not on the plan's list or formulary;

7 (e) Procedures, if any, that an enrollee must first follow for  
8 obtaining prior authorization for health care services;

9 (f) A written description of any reimbursement or payment  
10 arrangements, including, but not limited to, capitation provisions,  
11 fee-for-service provisions, and health care delivery efficiency  
12 provisions, between a carrier and a provider;

13 (g) Circumstances under which the plan may retrospectively deny  
14 coverage for emergency and nonemergency care that had prior  
15 authorization under the plan's written policies;

16 (h) A copy of all grievance procedures for claim or service denial  
17 and for dissatisfaction with care; and

18 (i) Descriptions and justifications for provider compensation  
19 programs, including any incentives or penalties that are intended to  
20 encourage providers to withhold services or minimize or avoid referrals  
21 to specialists.

22 (2) Each health carrier, as defined in RCW 48.43.005, and the  
23 Washington state health care authority, established by chapter 41.05  
24 RCW, shall provide to all enrollees and prospective enrollees a list of  
25 available disclosure items.

26 (3) Nothing in this section shall be construed to require a carrier  
27 to divulge proprietary information to an enrollee.

28 (4) The insurance commissioner is prohibited from adopting rules  
29 regarding this section.

30 NEW SECTION. **Sec. 5.** LIABILITY IMMUNITY FOR PLAN COMPARISON  
31 ACTIVITIES. (1) A public or private entity who exercises due diligence  
32 in preparing a document of any kind that compares health carriers of  
33 any kind is immune from civil liability from claims based on the  
34 document and the contents of the document.

35 (2)(a) There is absolute immunity to civil liability from claims  
36 based on such a comparison document and its contents if the information  
37 was provided by the carrier, was substantially accurately presented,

1 and contained the effective date of the information that the carrier  
2 supplied, if any.

3 (b) Where due diligence efforts to obtain accurate information have  
4 been taken, there is immunity from claims based on such a comparison  
5 document and its contents if the publisher of the comparison document  
6 asked for such information from the carrier, was refused, and relied on  
7 any usually reliable source for the information including, but not  
8 limited to, carrier enrollees, customers, agents, brokers, or  
9 providers. The carrier enrollees, customers, agents, brokers, or  
10 providers are likewise immune from civil liability on claims based on  
11 information they provided if they believed the information to be  
12 accurate and had exercised due diligence in their efforts to confirm  
13 the accuracy of the information provided.

14 (3) The immunity from liability contained in this section applies  
15 only if the comparison document contains the following in a conspicuous  
16 place and in easy to read typeface:

17 This comparison is based on information believed to be reliable  
18 by its publisher, but the accuracy of the information cannot be  
19 guaranteed. Caution is suggested to all readers who are  
20 encouraged to confirm data of importance to the reader before  
21 any purchasing or other decisions are made.

22 (4) The insurance commissioner is prohibited from adopting rules  
23 regarding this section.

24 NEW SECTION. **Sec. 6.** CAPTIONS. Captions used in this act do not  
25 constitute part of the law.

26 NEW SECTION. **Sec. 7.** CODIFICATION. Sections 1 through 5 of this  
27 act are each added to chapter 48.43 RCW.

28 NEW SECTION. **Sec. 8.** EFFECTIVE DATE. This act shall take effect  
29 July 1, 1996.

Passed the Senate March 7, 1996.

Passed the House March 1, 1996.

Approved by the Governor March 30, 1996.

Filed in Office of Secretary of State March 30, 1996.