

SENATE BILL REPORT

SB 6502

As Passed Senate, February 13, 2004

Title: An act relating to fees for performing independent reviews of health care disputes.

Brief Description: Developing a schedule of fees for performing independent reviews of health care disputes.

Sponsors: Senators Deccio, Thibaudeau and Winsley.

Brief History:

Committee Activity: Health & Long-Term Care: 1/29/04 [DP].

Passed Senate: 2/13/04, 47-1.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass.

Signed by Senators Deccio, Chair; Winsley, Vice Chair; Brandland, Parlette and Thibaudeau.

Staff: Jonathan Seib (786-7427)

Background: Washington's "Patient Bill of Rights" includes provisions authorizing a health plan enrollee to seek review of a carrier's coverage or payment decisions from an independent review organization (IRO). Participating IROs must be certified by the Department of Health pursuant to criteria established in statute, and are assigned to disputes by the Insurance Commissioner on a rotating basis. The cost of the IRO is paid by the carrier.

The fee charged by IROs is not currently regulated. There is concern that this allows rates to vary significantly, and for some IROs to charge unreasonable amounts.

Summary of Bill: By January 1, 2005, the Department of Health must develop a reasonable maximum fee schedule that independent review organizations are to use to assess carriers for conducting reviews under the state Patient Bill of Rights.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Current law allows the fees charged by independent review organizations to vary widely for comparative services, and to go beyond what is fair and reasonable. Carriers must pay whatever is charged since they have no choice about which independent review organization to use. Allowing the Department of Health to set a reasonable price schedule would help reduce costs to the health care system.

Testimony Against: None.

Testified: PRO: Sydney Zvara, Association of Washington Healthcare Plans.