

SENATE BILL REPORT

SB 6232

As of January 28, 2014

Title: An act relating to provider notification of carrier network changes.

Brief Description: Requiring health insurance carriers to provide notification of carrier network changes.

Sponsors: Senators Keiser, Pedersen, Parlette, Cleveland, Kohl-Welles and Conway.

Brief History:

Committee Activity: Health Care: 1/27/14.

SENATE COMMITTEE ON HEALTH CARE

Staff: Mich'l Needham (786-7442)

Background: Legislation passed in 2013 established contracting standards for health insurance carriers' contracts with health care providers. Health insurance carriers must provide health care providers with at least 60 days' notice of any proposed material amendments to their contract. Material amendments are those that require a provider to participate in a health plan or product line with a lower fee schedule in order to continue to participate in the health plan.

Some providers were surprised to learn they were listed as participating in health plan networks when they were not given notice of the buying, selling, or transferring of the provider network, nor given opportunity to opt in or out of the change in the network ownership.

Summary of Bill: Health insurance carriers must provide notice to health care providers of changes in provider networks including the buying, selling, or transferring of a provider network. The notice must be provided with at least 60 days' notice of the network change and it must inform providers that they may choose to opt out of the network change.

Health insurance carriers may not publish or advertise provider networks that include the newly acquired or transferred providers until the providers' advance notification period is complete.

Appropriation: None.

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.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: A provider in my community brought this concern to me after he was advertised in a network that he was not contracted with. It provides transparency on contracting information for providers and patients. It took months to sort out the contracting confusion with a plan that tried to impose a 1994 contract that had been terminated. The confusion seemed to generate from a purchase of a network but the information was out of date and not relevant and it messed up my other contracts that I had signed. It would be helpful to have the contracts and be allowed time to decide whether to participate. Insurance carriers should be required to keep this information up to date and provide notice to health care providers.

OTHER: It is helpful to clarify what the problem is since health plans want good, accurate information on provider networks. We have a concern with the language around the option to opt out of the contract since we do not let individual providers in our network choose to opt in or out; the decision is by the network. This would be difficult to manage.

Persons Testifying: PRO: Senator Keiser, prime sponsor; Dr. Robert Parker, private practice psychologist.

OTHER: Sydney Zvara, Assn. of WA Healthcare Plans; Robert Hinman, First Choice Health Network.