
HOUSE BILL 1160

State of Washington

67th Legislature

2021 Regular Session

By Representatives Cody, Macri, and Pollet

Read first time 01/12/21. Referred to Committee on Health Care & Wellness.

1 AN ACT Relating to health provider contracts; and adding new
2 sections to chapter 48.43 RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 48.43
5 RCW to read as follows:

6 (1) Beginning January 1, 2022, a contract between a hospital or
7 any affiliate of a hospital and a health carrier shall not, directly
8 or indirectly, do any of the following:

9 (a) Set provider compensation agreements or other terms for
10 nonparticipating affiliates of the hospital;

11 (b) Require the health carrier to contract with any one or more
12 of the hospital's affiliates.

13 (i) This section does not prohibit a contract from requiring that
14 the health carrier contract with medical groups with which the
15 hospital's medical staff is affiliated, or a health carrier from
16 voluntarily agreeing to contract with other affiliates of the
17 hospital.

18 (ii) If a health carrier voluntarily agrees to contract with
19 other affiliates of the hospital under (b)(i) of this subsection, the
20 health carrier must file an attestation with the office of the

1 insurance commissioner within 30 days of the contract becoming
2 effective or renewed;

3 (c) To the extent that a health plan varies enrollee cost-sharing
4 based upon placing participating providers into provider tiers,
5 require health insurers to place the hospital or any affiliate in the
6 tier reflecting the lowest or lower enrollee cost-sharing amounts;

7 (d) Require the health carrier to keep the contract's payment
8 rates confidential from any existing or potential payor that is or
9 may become financially responsible for the payments. This subsection
10 (1)(d) does not prohibit a requirement that any communication of the
11 contract's payment rates to an existing or potential payor be subject
12 to a reasonable nondisclosure agreement.

13 (2) For the purposes of this section:

14 (a) "Affiliate" means a person who directly or indirectly through
15 one or more intermediaries, controls or is controlled by, or is under
16 common control with, another specified person.

17 (b) "Control" means the possession, directly or indirectly, of
18 the power to direct or cause the direction of the management and
19 policies of a person, whether through ownership of voting securities,
20 membership rights, by contract, or otherwise.

21 (c) "Provider" means:

22 (i) A health care provider as defined in RCW 48.43.005;

23 (ii) A participating provider as defined in RCW 48.44.010;

24 (iii) A health care facility as defined in RCW 48.43.005; and

25 (iv) Intermediaries that have agreed in writing with a carrier to
26 provide access to providers as defined under this subsection (2)(c)
27 who render covered services to enrollees of a carrier.

28 (d) "Provider compensation agreement" means any written agreement
29 that includes specific information about payment methodology, payment
30 rates, and other terms that determine the remuneration a carrier will
31 pay to a provider.

32 NEW SECTION. **Sec. 2.** A new section is added to chapter 48.43
33 RCW to read as follows:

34 (1) Beginning January 1, 2022, health provider contracts between
35 a health carrier and a provider, may not contain a provision that
36 prohibits the disclosure of health care service claims data to
37 employers providing the coverage. However, any disclosure of claims
38 data must comply with state and federal health privacy laws.

1 (2) The legislature finds that the practices covered by this
2 section are matters vitally affecting the public interest for the
3 purpose of applying the consumer protection act, chapter 19.86 RCW. A
4 violation of this section is not reasonable in relation to the
5 development and preservation of business and is an unfair or
6 deceptive act in trade or commerce and an unfair method of
7 competition for the purpose of applying the consumer protection act,
8 chapter 19.86 RCW.

9 (3) For the purposes of this section, "provider" means:

- 10 (a) A health care provider as defined in RCW 48.43.005;
- 11 (b) A participating provider as defined in RCW 48.44.010;
- 12 (c) A health care facility as defined in RCW 48.43.005; and
- 13 (d) Intermediaries that have agreed in writing with a carrier to
14 provide access to providers as defined under this subsection who
15 render covered services to enrollees of a carrier.

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