

# SENATE BILL REPORT

## SB 6161

---

---

As of January 30, 2024

**Title:** An act relating to provider contract compensation.

**Brief Description:** Concerning provider contract compensation.

**Sponsors:** Senators Cleveland, Rivers, Dhingra, Nobles, Short and Torres.

**Brief History:**

**Committee Activity:** Health & Long Term Care: 1/30/24.

**Brief Summary of Bill**

- Requires contracts between a health carrier and a provider to include an increase from the previous year based on the consumer price index.

---

### SENATE COMMITTEE ON HEALTH & LONG TERM CARE

**Staff:** Greg Attanasio (786-7410)

**Background:** Health carriers enter into contracts with health care providers under which the providers agree to accept a specified reimbursement rate for their services. A health carrier must file all provider contracts and provider compensation agreements with the Office of the Insurance Commissioner (OIC) 30 days before use. Any provider contract not affirmatively disapproved by OIC is deemed approved. OIC may not base a disapproval on the amount of compensation or other financial arrangements between the carrier and the provider, unless the compensation amount causes the underlying health benefit plan to violate federal or state law.

**Summary of Bill:** Compensation provisions in provider contracts relating to health plans issued on or after January 1, 2025 must include an increase in compensation from the prior year that reflects increases in the Consumer Price Index for all urban consumers over the previous year. This requirement does not apply to providers employed by a hospital or an

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

affiliate of a hospital.

OIC may adopt rules to implement this requirement, which must reflect standards used to determine inflationary increases in the qualifying payment amount under the federal No Surprises Act.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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