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HOUSE BILL 1655

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State of Washington

68th Legislature

2023 Regular Session

By Representatives Harris and Stonier

Read first time 01/30/23. Referred to Committee on Health Care & Wellness.

1 AN ACT Relating to provider contract compensation; adding a new  
2 section to chapter 48.43 RCW; and creating new sections.

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

4 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

5 (a) The costs to operate and maintain a health care practice by  
6 health care providers continue to rise and often may exceed consumer  
7 price inflation;

8 (b) Significant vertical and horizontal consolidation in health  
9 plan markets has given health carriers ever greater bargaining power  
10 over individual health care providers and small clinics who have  
11 little or no opportunity to meaningfully negotiate compensation to  
12 cover overhead costs;

13 (c) Despite increasing costs, many health care professions have  
14 experienced no increase in the contracted rates for the health care  
15 services provided to carrier enrollees for several years; and

16 (d) According to a 2020 American medical association survey,  
17 nearly 40 percent of patient care physicians were employed directly  
18 by a hospital or a practice owned at least partially by a hospital or  
19 health system, an increase from just 23.5 percent in 2012.

20 (2) Therefore, the legislature intends to encourage competition  
21 and health care market diversity by requiring health carriers to

1 annually adjust the compensation offered to health care providers not  
2 employed by hospitals or affiliates of hospitals in an amount that  
3 reflects inflationary cost increases, thereby deterring the further  
4 consolidation in health care delivery markets arising from the  
5 abandonment of private practices to employment by hospital systems.

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

8 For private health plans issued or renewed on or after January 1,  
9 2024, compensation provisions in a provider contract between a health  
10 care provider not employed by a hospital or any affiliate of a  
11 hospital and a health carrier for health care services to enrollees  
12 of such private health plans must include an increase in compensation  
13 from the prior year for health care services that reflects increases  
14 in the consumer price index for all urban consumers over the previous  
15 year.

16 NEW SECTION. **Sec. 3.** The insurance commissioner shall adopt  
17 rules necessary to implement this act. Such rules shall reflect  
18 standards used to determine inflationary increases in the qualifying  
19 payment amount under the federal no surprises act, 42 U.S.C. Sec.  
20 300gg-111, and implementing federal regulations.

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