

HOUSE BILL REPORT

HB 2486

As Reported By House Committee On:
Health Care

Title: An act relating to consumer health information.

Brief Description: Providing for consumer health information.

Sponsors: Representatives Backlund, Hymes, Skinner, Cody, Dyer and Murray.

Brief History:

Committee Activity:

Health Care: 1/23/96, 2/2/96 [DPS].

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Dyer, Chairman; Backlund, Vice Chairman; Hymes, Vice Chairman; Cody, Ranking Minority Member; Murray, Assistant Ranking Minority Member; Campbell; Casada; Conway; Crouse; Morris; Sherstad; Skinner and H. Sommers.

Staff: Bill Hagens (786-7131).

Background: Health care policy in Washington State has gone through tremendous changes in recent years, which has increased consumers desire to know which options for patient care exist when selecting health plans. Recent studies have indicated that consumers have difficulty obtaining detailed information and understanding the language used in their health care policies.

The use of managed care principles by health carriers, i.e., commercial insurers, health care service contractors, and health maintenance organizations, has increased substantially. Although there is variability among managed care approaches, most include integrating the financing and delivery of health care services to covered persons through agreements with selected health care providers and facilities. Providers and facilities typically are subject to formalized standards for participation including utilization review [UR] requirements. UR processes are generally designed to monitor and evaluate the necessity and appropriateness of health services in relation to the benefits provided under the health plan.

Summary of Substitute Bill:

Disclosure Provisions:

Health carriers are prohibited from: (1) preventing their providers from informing patients of the care they require, including various treatment options, and whether, in their view, such care is consistent with medical necessity, medical appropriateness, or otherwise covered by the patient's service agreement with the health carrier; (2) discouraging or penalizing a provider from advocating on behalf of a patient with a carrier, however, the provider is not authorized to bind the health carrier to pay for any service, separate from existing agreements; (3) preventing patients or those paying for their coverage from discussing the comparative merits of different carriers with their providers; and (4) preventing its enrollees from contracting to obtain services outside the carrier's plan, however, the carrier is not required to pay for these, unless it is part of an existing agreement. Further, providers must disclose their interests in any carrier.

Health carriers, upon request by an enrollee or prospective enrollee, must disclose the following: (1) point-of-service plan options; (2) documents and other information referred to in the enrollee's service agreement; (3) a full description of the procedures for consulting with other providers or other referrals; and (4) restriction on prescribing drugs.

A public or private entity who exercises due diligence in preparing information that compares carriers is immune from civil liability from claims based on the information. Further, there is absolute immunity when information provided by the carrier was substantially accurately presented.

Utilization Review Provisions:

As of July 1, 1996, every review organization, i.e., an entity performing UR on behalf of a business or a party that provides or administers health care benefits to citizens of this state, including carriers, must meet the following standards: (1) comply with all applicable state and federal laws to protect confidentiality of enrollee medical records; (2) notify the provider of record or the enrollee of a determination to certify within two business days of the determination; (3) maintain a written description of the appeal procedure as required; (4) make staff available by toll-free telephone, at least 40 hours per week during normal business hours; (5) have an adequate phone system capability; and (6) allow a minimum of 48 hours following an emergency admission for an enrollee to notify the review organization and request certification.

A determination to deny a review organization to the necessity or appropriateness of a service must be reviewed by a physician or a licensed medical professional making a determination.

Notification of a determination must include the principal reason for the determination and the procedures to initiate an appeal of the determination. Hospitals and physicians are required to cooperate with the reasonable efforts of review organizations to ensure that all necessary patient information is available in a timely fashion by phone during normal business hours. Procedures must be established by hospitals and physicians to allow on-site review of medical records by review organizations.

Substitute Bill Compared to Original Bill: Provisions are deleted regarding; insurers disclaimer of liability to patients; the requirement that material be written in plain language; and the enrollees authority to join in the appeal of a practitioner regarding a UR decision.

Provisions are added regarding the requirement that providers disclose their interests in any carrier.

Provisions are modified regarding the standard for information comparison immunity changing from "in good faith" to "exercises due diligence" and the UR process to clarify appeals requirements.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: (Regarding the substitute) This bill is needed to set standards for the disclosure of health information and the use of utilization review organizations.

Testimony Against: (Regarding the substitute) None.

Testified: Susie Tracy, Dr. George Rice, and Andy Dolan, Washington State Medical Association; Ann Simons, Washington State Association of Marriage and Family Counselors; Bruce Bishop, Kaiser Permanente; Diane Stollenwerle, Sisters of Providence and Peace Health; Mel Sorensen, Washington Physicians Service and Blue Cross/Blue Shield of Oregon; Ken Bertrand, Group Health Cooperative; and Lincoln Ferris, Health Care Purchasers Association.