

SENATE BILL REPORT

HB 2420

As Reported by Senate Committee On:
Health & Long-Term Care, February 23, 2012

Title: An act relating to a study and report concerning direct practices that the office of the insurance commissioner must provide to the legislature.

Brief Description: Repealing the requirement for a study and report concerning direct practices that the office of the insurance commissioner must provide to the legislature.

Sponsors: Representatives Cody, Roberts and Upthegrove; by request of Insurance Commissioner.

Brief History: Passed House: 2/14/12, 98-0.

Committee Activity: Health & Long-Term Care: 2/22/12, 2/23/12 [DP].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass.

Signed by Senators Keiser, Chair; Conway, Vice Chair; Becker, Ranking Minority Member; Carrell, Frockt, Kline, Parlette, Pflug and Pridemore.

Staff: Mich'l Needham (786-7442)

Background: Legislation passed in 2007 established direct patient-provider primary health care practices (direct practices) in insurance law. Direct practices charge patients a set fee for all primary care services provided in their office, regardless of the number of visits. No insurance plan is involved, although patients may have insurance for other services beyond primary care. The authorizing legislation requires the Office of Insurance Commissioner (OIC) to report annually to the Legislature on direct practices, including participation trends, complaints received, and voluntary data reported on the practices and fees. In December OIC submitted its third annual report to the Legislature, which showed there are 24 direct patient provider practices, with approximately 10,000 patients.

In addition to the annual report, OIC must submit a more comprehensive report in December 2012, analyzing a list of potential impacts that may be related to direct practices. The data for the more comprehensive analysis is not readily available, and the number of practices has remained very small.

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.

Summary of Bill: The requirement for a comprehensive report on direct practices due December 2012 is repealed.

Appropriation: None.

Fiscal Note: Available.

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: This is an OIC request to repeal an unfunded study that was set up in the original legislation that created the direct practices chapter. It maintains the annual reporting to the Legislature and will allow monitoring of the practices.

CON: We encourage you to continue with the study on the direct practices. They have efforts to expand every year and we think it is a perfect time to look at their impacts on primary care access for other patients to see if they are siphoning off access for others. Each of these direct practice providers see significantly fewer numbers of patients than other primary care providers and they may be impacting access for Medicare patients and others seeking primary care. The funding is not a state fiscal impact as providers will pay for the report through our fees.

Persons Testifying: PRO: Drew Bouton, OIC.

CON: Sydney Zvara, Assn. of WA Healthcare Plans.