

SSB 5927 - S AMD 417

By Senators Keiser, Becker

ADOPTED 05/03/2011

1 On page 6, beginning on line 13, strike all of subsections (7) and
2 (8) and insert the following:

3 "(7) A managed health care system shall negotiate in accordance with
4 community standards for industry with health care providers to assure
5 an adequate network of health care providers within its service areas
6 and within each facility that has a written contract with the managed
7 health care system. To facilitate negotiations with health care
8 providers, a managed health care system shall provide the department
9 documentation indicating that the managed health care system attempted
10 to contract with the nonparticipating provider or provider group on
11 similar terms to other participating providers delivering the same
12 care in the same service area.

13 (8) If the requirement of subsection (7) of this section is
14 satisfied, for services provided by nonparticipating providers, the
15 managed health care system shall only be obligated to pay an amount
16 determined by establishing the mode reimbursement rate for the same
17 services in the same service area contracted for under this section by
18 the managed health care system.

19 (9) In any case where a managed health care system must send an
20 enrollee to a nonparticipating provider for contracted services under
21 the circumstances and conditions set forth in subsection (8) of this
22 section, it must notify the department and the provider as to the
23 basis for utilizing the nonparticipating provider's services. Any
24 disagreement between the managed health care system and a provider or
25 provider group regarding whether the managed health care system
26 satisfied the requirements set forth in subsection (7) of this section
27 shall be decided by the department.

1 (10) Pursuant to federal managed care access standards, 42 CFR 438,
2 managed health care systems must maintain a network of appropriate
3 providers that is supported by written agreements sufficient to
4 provide adequate access to all services covered under the contract
5 with the department, including hospital-based physician services."

6 (11) Subsections (7) through (10) of this section expire January 1,
7 2014."

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9 On page 10, beginning on line 7, after "(2)" strike all material
10 through "program." on line 10 and insert "(a) A managed health care
11 system shall negotiate in accordance with community standards for
12 industry with health care providers to assure an adequate network of
13 health care providers within its service areas and within each
14 facility that has a written contract with the managed health care
15 system. To facilitate negotiations with health care providers, a
16 managed health care system shall provide the administrator
17 documentation indicating that the managed health care system attempted
18 to contract with the nonparticipating provider or provider group on
19 similar terms to other participating providers delivering the same
20 care in the same service area.

21 (b) This subsection (2) expires January 1, 2014."

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23 Beginning on page 11, line 29, strike all of section 5 and insert the
24 following:

25
26 "NEW SECTION. Sec. 5. A new section is added to chapter 70.47
27 RCW to read as follows:

28 (1) If the requirements of RCW 70.47.100 are satisfied, for
29 services provided by nonparticipating providers, the managed health
30 care system shall only be obligated to pay an amount determined by
31 establishing the mode reimbursement rate for the same services in the
32 same service area contracted for under this section by the managed
33 health care system.

1 (2) In any case where a managed health care system must send an
2 enrollee to a nonparticipating provider for contracted services under
3 the circumstances and conditions set forth in subsection (1) of this
4 section, it must notify the administrator and the provider as to the
5 basis for utilizing the nonparticipating provider's services. Any
6 disagreement between the managed health care system and a provider or
7 provider group regarding whether the managed health care system
8 satisfied the requirements set forth in RCW 70.47.100 shall be decided
9 by the administrator pursuant to the requirements set forth in RCW
10 70.47.100.

11 (3) This section expires January 1, 2014."

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16 On page 1, beginning on line 4 of the title, after "70.47 RCW;" strike
17 the remainder of the title and insert "creating a new section; and
18 providing expiration dates."

EFFECT:

- Removes provisions requiring Medicaid and Basic Health managed care plans to pay nonparticipating providers the Medicaid fee for service reimbursement rate
- The managed health care system must provide documentation to the department indicating that an attempt was made to contract with the nonparticipating providers on similar terms to other providers in the services area.
- If the requirements are met, the managed health care system is obligated to pay the mode reimbursement rate for the same service in the same service area (for Medicaid or Basic Health contracted services).
- The managed health care system must notify the department as to the basis for utilizing the nonpreferred provider's services. Any disagreement as to whether requirements were met will be decided by the department.
- Inserts an expiration date of 1/1/14 for the substantive sections of the bill.

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