

# HOUSE BILL REPORT

## HB 1957

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As Reported By House Committee On:  
Health Care  
Appropriations

**Title:** An act relating to the creation of the medical health coverage benefit determination committee.

**Brief Description:** Creating the medical health coverage benefit determination committee.

**Sponsors:** Representatives Dellwo, Wolfe, R. Meyers, Pruitt, L. Johnson, J. Kohl, Conway and Karahalios; by request of Insurance Commissioner.

**Brief History:**

Reported by House Committee on:  
Health Care, March 2, 1993, DPS;  
Appropriations, March 6, 1993, DPS(HC-A APP).

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### HOUSE COMMITTEE ON HEALTH CARE

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 15 members: Representatives Dellwo, Chair; L. Johnson, Vice Chair; Dyer, Ranking Minority Member; Ballasiotes, Assistant Ranking Minority Member; Appelwick; Campbell; Conway; Cooke; Flemming; R. Johnson; Mastin; Mielke; Morris; Thibaudeau; and Veloria.

**Minority Report:** Do not pass. Signed by 1 member: Representative Lisk.

**Staff:** John Conniff (786-7119).

**Background:** Health insurance companies, health care service contractors, and health maintenance organizations do not cover health care or treatment deemed experimental or investigative. However, often there is not agreement among insurers or health care providers as to whether care or treatment is experimental or investigative. As a result, some consumers obtain treatment that other consumers are unable to obtain.

**Summary of Substitute Bill:** The Washington Health Care Coverage Determination Board is created in the Office of the Insurance Commissioner. The five member board, appointed by

the commissioner, must be comprised of persons with knowledge and experience in health care services. Board members are appointed for three year terms and can only be removed for cause. Members serve part-time and may receive \$75 for each day spent in performance of their duties. Members are also reimbursed for travel expenses.

The board must appoint a medical agent to review consumer complaints concerning the denial of health care coverage upon grounds that the health care service or treatment sought is experimental or investigative. The medical agent must decide whether the coverage should be provided. If either the consumer or the insurer disagree with the agent's decision, they may appeal to the board who must conduct a hearing and render a decision.

The insurance commissioner must adopt rules requiring health insurers, health care service contractors, health maintenance organizations, and state and local government health self-insured health programs to notify consumers of their right to appeal to the medical agent and coverage determination board. The commissioner may adopt guidelines for use by such insurers in deciding whether a health care service or treatment is experimental or investigative. The commissioner may also adopt rules declaring certain health care services and treatments no longer experimental or investigative based upon decisions of the coverage determination board.

The board and the powers granted the commissioner under the act sunset July 1, 1998.

**Substitute Bill Compared to Original Bill:** A committee of health providers, consumers and others charged with responsibility to oversee health insurance company practices with respect to the denial of coverage based upon a decision that health care services or treatments sought are experimental or investigative is replaced in its entirety with an adjudicative system designed to resolve consumer complaints.

**Fiscal Note:** Available.

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

**Testimony For:** This bill will establish a clear process to determine what services are experimental and investigative.

**Testimony Against:** None.

**Witnesses:** Deborah Senn, Dr. Diana Berry, Porsha Moore, Jo Henderson, Richard Spoonmore and Sol Riffkin, Office of the Insurance Commissioner (pro); Cheryl Quackenbush, ADAMS; Symma Winston, Health Challenges; and Dr. Nancy Purcell, Washington State Medical Association (pro).

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**HOUSE COMMITTEE ON APPROPRIATIONS**

**Majority Report:** The substitute bill by Committee on Health Care be substituted therefor and the substitute bill as amended by Committee on Appropriations do pass. Signed by 24 members: Representatives Locke, Chair; Valle, Vice Chair; Silver, Ranking Minority Member; Carlson, Assistant Ranking Minority Member; Appelwick; Ballasiotes; Basich; Cooke; Dellwo; Dorn; Dunshee; G. Fisher; Jacobsen; Lemmon; Linville; Peery; Rust; Sehlin; Sheahan; Sommers; Stevens; Talcott; Wang; and Wineberry.

**Staff:** John Coniff (786-7119); and Maureen Morris (786-7152).

**Summary of Recommendation of Committee on Appropriations Compared to Recommendation of Committee on Health Care:** The adjudicatory board created in the substitute bill is replaced with a committee comprising health care professionals to provide guidance to health care coverage providers in determining whether a procedure, treatment, drug, or other health care service is experimental, investigative, or questionable as to its efficacy. Members of the committee are appointed by the commissioner for four-year terms and may only be removed for cause. The committee selects its own chairperson. The committee may not consider coverage disputes in particular cases. The commissioner's office must supply the board with any needed staff or materials. Members of the committee are reimbursed for travel expenses.

The new chapter creating the committee expires July 1, 1998.

**Fiscal Note:** Not available.

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

**Testimony For:** This bill addresses a serious problem of concern to many members of the public. The amendment offered by the Appropriations Committee will address many of the concerns expressed by the insurance industry. By terminating the statute by 1998, the legislation will not conflict with health reform.

**Testimony Against:** None.

**Witnesses:** Representative Dellwo (pro).