

SENATE BILL REPORT

SHB 1508

AS REPORTED BY COMMITTEE ON HEALTH & HUMAN SERVICES,
APRIL 2, 1993

Brief Description: Regulating prescription claims for insurance coverage that were initially approved over the telephone or by other means.

SPONSORS: House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Zellinsky and Pruitt)

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

SENATE COMMITTEE ON HEALTH & HUMAN SERVICES

Majority Report: Do pass.

Signed by Senators Talmadge, Chairman; Wojahn, Vice Chairman; Deccio, Erwin, Franklin, Fraser, McAuliffe, McDonald, Moyer, Niemi, Prentice, Sheldon, L. Smith, and Winsley.

Staff: Martin Lovinger (786-7443)

Hearing Dates: April 2, 1992

BACKGROUND:

Often after receiving a prescription from a consumer, the pharmacy will call the consumer's health insurance company for approval. Sometimes after approving the claim over the telephone, the insurance company will deny the claim when it is submitted for payment. The pharmacy must then bear the loss or the burden of trying to collect from the consumer.

SUMMARY:

Disability insurance companies, group disability insurance companies, health care service contractors and health maintenance organizations which have first approved, by any means, an individual prescription claim are prohibited from rejecting that claim at a later time.

The provider who obtains preapproval of a prescription claim must keep a written record of the name and phone number of the person who approved the claim.

Appropriation: none

Revenue: none

Fiscal Note: available

Effective Date: The bill contains an emergency clause and takes effect immediately.

TESTIMONY FOR:

This bill provides important protection for pharmacies which rely on preapprovals by health insurers of prescription claims.

TESTIMONY AGAINST: None

TESTIFIED: Gordon Walgren, Lars Hennem, Pharmacists of Washington
(pro)