

SENATE BILL REPORT

HB 1956

AS REPORTED BY COMMITTEE ON HEALTH & HUMAN SERVICES,  
MARCH 22, 1993

**Brief Description:** Requiring computerized collection of health insurance coverage provided by certain state entities.

**SPONSORS:** Representatives Cothern, Locke, Wolfe and Springer; by request of Department of Social and Health Services

HOUSE COMMITTEE ON HEALTH CARE

HOUSE COMMITTEE ON APPROPRIATIONS

SENATE COMMITTEE ON HEALTH & HUMAN SERVICES

**Majority Report:** Do pass.

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

**Staff:** Shannon Murphy (786-7483)

**Hearing Dates:** March 22, 1993

**BACKGROUND:**

Presently, about 11 percent of the 500,000 medical assistance recipients have some form of third-party health coverage. Federal law requires Medical Assistance to be the payer of last resort, thus all other insurance resources must be used before Medical Assistance can reimburse for coverage. The Department of Social and Health Services (DSHS) considers the current methods of third-party coverage identification, e.g., client interview, target mailing, and Employment Security matching as inefficient.

**SUMMARY:**

It is the intent of the Legislature to improve the process of third-party payment of health benefits through the computerized compilation and exchange of insurance coverage information. The Legislature also intends to ensure that medical insurance benefits are properly utilized.

The Medical Assistance Administration (MAA) is required to provide computerized information to private insurers regarding medical assistance recipient eligibility and coverage information. Private insurers are required to use this information to identify joint MAA/private insurance beneficiaries and report to the MAA. MAA uses this information to improve accuracy of health insurance coverage data and promote improved coordination of benefits.

The MAA and affected private insurers are required to develop the necessary data elements and related standards.

The information is updated at minimum semi-annually.

The information compiled is protected against inappropriate release.

The MAA is required to target those private insurers with a high probability of joint beneficiaries.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** available

**TESTIMONY FOR:**

This bill will streamline the process of third party payment of health benefits and will save state dollars.

**TESTIMONY AGAINST:** None

**TESTIFIED:** PRO: Representative Barbara Cothorn, prime sponsor; Jim Peterson, Medical Assistance Administration, DSHS; Susie Tracy, WA State Medical Assn.; Greg Vigdor, WA State Hospital Assn.