

**SENATE BILL REPORT**

**SHB 2380**

**AS REPORTED BY COMMITTEE ON HEALTH & HUMAN SERVICES,  
FEBRUARY 24, 1994**

**Brief Description:** Modifying malpractice insurance coverage.

**SPONSORS:** House Committee on Financial Institutions & Insurance  
(originally sponsored by Representatives Dellwo and Dyer)

**HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE**

**SENATE COMMITTEE ON HEALTH & HUMAN SERVICES**

**Majority Report:** Do pass as amended.

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

**Staff:** Don Sloma (786-7319)

**Hearing Dates:** February 23, 1994; February 24, 1994

**BACKGROUND:**

Under the terms of the Washington Health Services Act of 1993, every licensed health care practitioner whose services are included in the uniform benefits package must have malpractice insurance coverage by January 1, 1994, unless this insurance is not available. The Department of Health must designate by rule the health professions that include independent practice and whether malpractice insurance is available to these practitioners.

In order to obtain or renew medical malpractice insurance after July 1, 1994, health care practitioners must complete liability risk management training every three years.

While the general contents of the uniform benefits package are stated in law, they will not be determined in final form until early 1995. This will make it difficult to determine with absolute precision all professions who must obtain malpractice coverage by the January 1, 1994 deadline in current law.

**SUMMARY:**

Health care practitioners who are licensed, certified or registered must have malpractice insurance acceptable to the state Department of Health by July 1, 1995 if this insurance is available. The department must designate by rule what types of malpractice insurance coverage are acceptable.

Health care practitioners who complete risk management training anytime in 1994 meet the statutory requirement and do not have to repeat this training for three years.

The Department of Health must report to the Legislature by December 1, 1994 on recommendations for implementing health care practitioner malpractice insurance requirements, especially: (1) whether exemptions should be provided for federal employees, retired practitioners or others; and (2) whether malpractice coverage through a certified health plan is satisfactory.

**SUMMARY OF PROPOSED COMMITTEE AMENDMENT:**

Clarification is provided that employer provided malpractice coverage may be considered as to whether it should be deemed to meet the requirements of the law.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** none requested

**TESTIMONY FOR:**

The bill is needed to provide an opportunity for the Health Services Commission to define the uniform benefits package before the Health Department can determine exactly which providers must have malpractice insurance.

**TESTIMONY AGAINST:**

The study provision which asks for consideration of allowing certified health plans to provide malpractice insurance is inappropriate. Other existing organizations can do a more economical job.

**TESTIFIED:** Steve Lindstrom, Acupuncture Assn. of WA, Assn. of Alcoholism and Addiction Programs; Patti Rathbun, DOH (pro); Cliff Webster, WA State Medical Assn.