

# HOUSE BILL REPORT

## ESHB 2264

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### As Passed Legislature

**Title:** An act relating to eliminating the health care policy board.

**Brief Description:** Eliminating the health care policy board.

**Sponsors:** By House Committee on Appropriations (originally sponsored by Representatives Koster, Huff, D. Sommers, Sterk, Sherstad, Boldt, Mulliken, Thompson and McMorris).

**Brief History:**

**Committee Activity:**

Appropriations: 3/27/97, 4/5/97 [DPS].

**Floor Activity:**

Passed House: 4/14/97, 58-39.

Senate Amended.

House Concurred.

Passed Legislature.

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### HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 18 members: Representatives Huff, Chairman; Alexander, Vice Chairman; Clements, Vice Chairman; Wensman, Vice Chairman; Benson; Carlson; Cooke; Crouse; Dyer; Lambert; Lisk; Mastin; McMorris; Parlette; D. Schmidt; Sehlin; Sheahan and Talcott.

**Minority Report:** Do not pass. Signed by 13 members: Representatives H. Sommers, Ranking Minority Member; Doumit, Assistant Ranking Minority Member; Gombosky, Assistant Ranking Minority Member; Chopp; Cody; Grant; Keiser; Kenney; Kessler; Linville; Poulsen; Regala and Tokuda.

**Staff:** Beth Redfield (786-7130).

**Background:** The Health Care Policy Board (HCPB) was created in 1995 as a successor to the Health Services Commission. The creation of the HCPB and elimination of the commission reflected the changes in direction of health care reform made by the 1995 legislation. The HCPB is composed of five full-time members

appointed by the Governor and four part-time members, appointed by the four caucuses of the House and Senate.

The HCPB is responsible for making policy recommendations to the Governor and Legislature on a variety of health care issues. In particular, state law lists about two dozen specific topics that the HCPB is to report on, including individual and group insurance, long-term care, rural health care, medical education, community rating of health insurance, model billing and claims forms, quality improvement efforts, and other topics.

The HCPB also has authority to grant and administer immunities from antitrust laws for health care service organizations. In recent years, the health care market has seen consolidation as a way to contain costs without diminishing quality of care. The HCPB receives, analyzes, and grants petitions for immunity from antitrust laws and supervises those organizations receiving immunity to ensure that the immune conduct continues to further the state's health care goals.

In total, nine petitions for antitrust immunity have been received since 1993, and four have been granted. The HCPB currently monitors the four organizations granted immunity.

The Health Services Account provides funding for the HCPB. In the 1997-99 biennium, if no changes are made to expenditures from that account, there will be a deficit of about \$180 million.

**Summary of Bill:** The Health Care Policy Board is eliminated. The responsibility for granting antitrust immunity and monitoring the grants of immunity already granted is transferred to the Department of Health. The Department of Health is given the authority to enforce and administer rules previously adopted by the Health Care Policy Board. The activity will be fee supported. The fees charged by the Department of Health to finance the anti-trust immunity activities shall also be sufficient to fund attorney general costs, but within the same fee ceiling.

In addition, proprietary information provided to the DOH in the course of reviewing petitions for antitrust immunity will be exempt from public inspection and copying under RCW 42.17.310. Health care information used by the interagency quality committee is also exempt from public inspection.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill contains an emergency clause and takes effect on July 1, 1997.

**Testimony For:** None.

**Testimony Against:** The functions of the Health Care Policy Board need to be continued in some fashion. The Governor has proposed a new Office of Health Policy which still saves a substantial amount of Health Services Account funding. In particular, some place is needed for the antitrust immunity monitoring functions. Retaining the antitrust immunity provisions in law is crucial, providing greater certainty for providers and protecting the public while ensuring consistency with the state's health care goals. In addition, information submitted as part of the immunity petition needs to be kept confidential. The research and data collection efforts of the board are also important.

**Testified:** Ann Daley, Governor's Policy Office (con); Sherry Appleton, Service Employee's International Union (con); Andy Dolan, Washington State Medical Association (concerns); Andy Davidson, Washington State Hospital Association (concerns); Robert Seader, Westsound Community Health Network; and Rachael Myers, Washington Citizen Action (pro).