ANALYSIS OF HOUSE BILL 2354
Providing for protection from public disclosure of proprietary information of health care bidders and contractors.

SPONSORS: Representatives Dyer and Cody; DSHS request.

PURPOSE:

To provide protection from disclosure of propriety information of health care bidders who contract for managed care medical assistance Healthy Options.–

BACKGROUND:

The Medical Assistance Administration (MAA) within the Department of Social and Health Services (DSHS) provides medical assistance (mostly Medicaid funded) through managed care organizations (MCOs), e.g., health carriers like health care service contractors and health maintenance organizations. MAA contracts with 19 MCOs to cover about 446,000 children, pregnant women, and income assistance recipients through a program widely known as Healthy Options. Through the Healthy Options bidding process, carriers submit sensitive information on rates, access, providers, and quality of care. Recently, MAA began a joint bidding process with the Health Care Authority (HCA), which provides coverage for public employees and low-income persons. While the HCA has an explicit law [RCW 41.05.026] that protects bidding carriers' proprietary information from disclosure, MAA has no similar statute. The lack of a uniform protection across both agencies may have a chilling effect upon future joint procurement efforts.

SUMMARY:

The Medical Assistance Administration (MAA) is granted authority similar to that enjoyed by the HCA.

When soliciting bids, MAA may exempt from disclosure proprietary information, e.g., actuarial formulae and underwriting assumptions, proposed rates, certain detailed financial statements and experience data, provider specific reimbursement information and contracts, accreditation data, and internal carrier minutes.

Information submitted to the MAA as part of the contracting process, which is otherwise exempted from public disclosure by law retains its exempt status.

This exemption is explicitly referenced in the public disclosure statute.