

SENATE BILL REPORT

SB 5665

As Reported By Senate Committee On:
Health & Long-Term Care, March 4, 1997

Title: An act relating to mental health utilization review.

Brief Description: Providing requirements for mental health utilization review.

Sponsors: Senators Strannigan, Wojahn, Fairley, Wood, Franklin, Deccio, Thibaudeau and Winsley.

Brief History:

Committee Activity: Health & Long-Term Care: 2/21/97, 2/28/97, 3/4/97 [DPS-WM].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: That Substitute Senate Bill No. 5665 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Deccio, Chair; Wood, Vice Chair; Benton, Fairley, Franklin, Strannigan and Wojahn.

Staff: Don Sloma (786-7319)

Background: The term utilization review is often used to describe a range of managed care cost containment strategies including monitoring a provider's pattern of treatment, determining the medical necessity of certain types or levels of treatment, and evaluating the efficacy, appropriateness or efficiency of certain treatments for certain health conditions. As managed care financing arrangements have come to dominate health insurance, health insurance carriers have begun applying a number of these utilization review strategies, not only to medical services, but also to mental health services. In some cases, managed health carriers are contracting with behavioral health service management companies which specialize in providing utilization review of mental health and related services.

Some mental health care providers are concerned that utilization review strategies are being applied by health carrier employees or contractors who may not be properly trained in the care they are reviewing, that utilization review is being applied too soon in the course of treatment, and that utilization review may be undermining the effective use of clinical judgement in determining the course of mental health treatment.

Others are concerned that some health carriers offering mental health treatment benefits do not clearly disclose the limitations they place on mental health coverage.

Summary of Substitute Bill: If a health maintenance organization, a health care service contractor, a disability insurer, a health plan operating under the state Health Care Authority, or the state high risk pool offers coverage for outpatient mental health services, these health

carriers must adhere to standards regarding disclosure and utilization review of those services.

Every health carrier must disclose in any document that describes their covered benefits any mental health services or diagnoses excluded from their coverage that are listed in the diagnostic and statistical manual. In addition, a specific description of how these benefits are managed must be disclosed.

Those performing utilization review must be mental health practitioners as defined in the bill, and must receive training from the health carrier to assure knowledge of relevant laws. When an appeal occurs, the person reviewing the appeal must be a professional peer of the treating practitioner, and also must be qualified to provide the service being appealed.

A health carrier's plan for utilization review of mental health services, including criteria used to determine medical necessity, must be filed with the state Insurance Commissioner, and be available upon request.

Access by utilization reviewers to mental health treatment records is limited by all applicable state and federal laws. In addition, treatment notes are not available to utilization reviewers.

Substitute Bill Compared to Original Bill: The provision in the original bill requiring that every health carrier providing outpatient mental health services must exclude at least 12 outpatient services from any type of utilization review is deleted.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The bill is needed to protect the quality of care from inexperienced, untrained reviewers who sometimes are employed by health carriers. It will also promote consumer awareness through its disclosure provisions.

Testimony Against: The bill is unneeded because utilization reviewers are generally well trained. It will add to costs and restrict health carriers' flexibility with government regulation.

Testified: Mel Sorensen, Green Spring Health Services, Washington Physicians Service (con); Dave Dickman (pro); Lucy Homans, WA State Psychological Assn. (pro); Kevin Host, WA State Society of Clinical Social Workers (pro); Rick Wickman, Blue Cross (con); Ken Bertrand, Group Health (con); Ann Simons, WA Assn. for Marriage and Family Therapy (pro).