

SENATE BILL REPORT

SB 5883

As Reported By Senate Committee On:
Health & Long-Term Care, February 6, 1998

Title: An act relating to managed care entities.

Brief Description: Requiring health care entities to disclose relevant information to consumers.

Sponsors: Senators Benton, Stevens, Jacobsen and Roach.

Brief History:

Committee Activity: Health & Long-Term Care: 2/4/98, 2/6/98 [DPS-WM].
Ways & Means: 2/10/98.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: That Substitute Senate Bill No. 5883 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: Jonathan Seib (786-7427)

SENATE COMMITTEE ON WAYS & MEANS

Staff: Tim Yowell (786-7435)

Background: Under current Washington law, health carriers are defined to include disability insurers, health care service contractors, and health maintenance organizations. Carriers and the state Health Care Authority (HCA) are required to disclose certain enumerated information at the request of an enrollee or prospective enrollee regarding health plan provisions. As managed care emerges as the prevalent method of delivering health care services, there is concern that current disclosure requirements are insufficient to inform consumers and allow for an educated health care purchasing decision.

Summary of Substitute Bill: Current law regarding disclosure of information by health carriers and the HCA is expanded. The requirement that the information be released only upon request is removed. Among other things, carriers and HCA are required to disclose detailed information regarding: (1) the providers and facilities with whom the carrier contracts to provide services, and the process whereby enrollees choose or change providers; (2) benefits; (3) an enrollee's potential out-of-pocket expenses; (4) the discharge planning process, and any limitations on surgical stays; (5) prescription coverage; (6) emergency and after-hours coverage; and (7) grievance procedures. Existing language prohibiting the Insurance Commissioner from adopting rules regarding disclosure requirements is removed.

A carrier is prohibited from making any statement regarding patient choice of provider without disclosing limitations regarding the access to providers outside of a plan's network of providers or access to specialists.

Each carrier is required to annually file a disclosure form with the Office of the Insurance Commissioner which includes all of the enumerated information. The commissioner is to use the information from the disclosure forms to annually prepare a comparative health plan guide for the public.

Current law under which health carriers may not prohibit enrollees from contracting for services outside of a health care plan is repealed.

Substitute Bill Compared to Original Bill: In the substitute bill, the effective date of the act is changed from July 1, 1997 to July 1, 1998.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 1998.

Testimony For (Health & Long-Term Care): SB 5883 is a patient advocacy bill. It would make sure consumers have basic information that they have a right to know. It would restore a balance between the physician-patient relationship, medical expertise, patient choice and insurance decisions. Consumers won't have to know to ask or be bold enough to ask for plan information. It empowers consumers to make appropriate and knowledgeable decisions about their health care that reflects both cost and quality considerations.

Testimony Against (Health & Long-Term Care): None.

Testified (Health & Long-Term Care): PRO: Senator Benton, prime sponsor; Andrea Stephenson, Washington Consumer Advocacy Coalition; Gil Thurston, Gene Forester, AARP; Adele Ducharme, Washington State Nurses Association; Ele Hamburger, Washington Citizen Action; Teresa Lamb, Washington Citizen Action; Cheryl Hymes; Steve Wehrly, Washington Chiropractic Trust; Teresa Whipple, Patient Choice Coalition; Bruce Reeves, Senior Citizen's Lobby; Melanie Stewart, Washington State Podiatric Association.

Testimony For (Ways & Means): This bill will give consumers the information they need to make informed choices.

Testimony Against (Ways & Means): Managed care plans are already required to make much information available, and do. Benefits booklets, insurance agents, and human resources departments are already available to help people understand their benefits and options.

Testified (Ways & Means): Gene Forrester, American Association of Retired Persons (pro); Mel Sorensen, Washington Physicians Service (con).